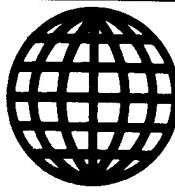


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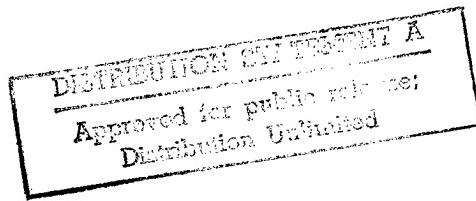
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NFF Cites Opportunities in U.S. Agriculture Policy 'Confusion'

42000284b Sydney *THE AUSTRALIAN* in English
28 Jan 88 p 3

[Article by Julian Cribb]

[Text] Confusion in United States agricultural policy was creating opportunities for Australia's farm sector to forge ahead in new markets and industries, the president of the National Farmers Federation, Mr Ian McLachlan, said yesterday.

Speaking on his return from the US, he said American agriculture was "a shambles—even more so than I had ever thought before".

The message for Australia: our farm sector is ahead on productivity, technology and efficiency, but it also has to make sure it gets ahead in terms of self-help.

"US farm policy is aimed at shoring up their producers, but in the end it is only causing them to fall into a deeper hole," he said.

"The US sheep industry is the best example in the world of an industry being helped out of existence. It has been broken by subsidies. In four decades they have gone from 60 million sheep to 9 million today.

"How many jobs has it cost them? How many farmers have they broken by putting them on a feather."

Huge tracts of US farm land were now owned by insurance companies. Farm land values, even in the richest areas, had crashed by up to two-thirds, he said.

"Australian farmers will finish so far ahead of their producers that it won't matter.

"Out of all that comes some opportunity for us—because there is absolutely no doubt that they are becoming more and more inefficient in each of these industries," he said.

US farmers had been insulated from the realities of the world market by their farm policies and "when you remove people from knowing what's going on in the world, they just produce a whole lot of things that no one wants".

Mr McLachlan said most American farmers had an appreciation they were on the wrong track, but that had still not stopped them "voting themselves high protection".

While his address to the American Farm Bureau on lowering world farm protectionism had been well received, the bureau had later endorsed policies seeking higher subsidies for various commodities.

Australia had to take a hard decision whether it wanted to be in the game of producing farm products such as wheat for the international market—and if it did, then it must devise commodity schemes based on farmer self-help.

"The model for this is the wool industry, which confronted this question in the 1970s and decided to establish a scheme to support itself," he said.

"We must recognise if we produce for the world markets there will be big upturns and big downturns in prices. We have to devise ways to even out these fluctuations.

"My conclusion from my US visit is that Australia is absolutely on the right track and that voluntary self-help is the key to our future success."

/9274

Northern Territory Official Queries Military

Allegations on Airspace Security

42000284c Sydney *THE AUSTRALIAN* in English
29 Jan 88 p 5

[Article by David Nason]

[Text] The Chief Minister of the Northern Territory, Mr Hatton, has asked for a full briefing after reports in *THE AUSTRALIAN* cited a former chief of Air Staff as saying Soviet spy planes from the Cam Ranh Bay base in Vietnam made routine high-altitude flights over Northern Australia.

Mr Hatton has asked the Minister of Defence, Mr Beazley, to give him details of the claims despite a subsequent denial of the report from the Soviet embassy in Canberra.

Mr Hatton telexed Mr Beazley yesterday and said he would be concerned if inadequate use of northern radar installations was allowing Soviet violation of Australian air space to go undetected.

A report in Monday's edition of *THE AUSTRALIAN* quoted Air Marshall David Evans as saying Soviet Bear long-range surveillance aircraft could be making regular spy flights across the Territory.

Air Marshall Evans based his claim on repeated reports by civilian pilots operating in the north of Australia of unidentified contrails at 30,000 feet.

He also described Australia's radar network as a joke.

/9274

Editorials View Thaw in Ties With France

MORNING HERALD Sees Common Interests Continuing Despite Chill

42000288c Sydney *THE MORNING HERALD* in English 23 Feb 88 p 14

[Editorial: "Mending Fences With France?"]

[Text] The French Defence Minister, Mr Andre Giraud, arrived in Canberra on Sunday to present France's Bicentennial gift to Australia. More importantly, his arrival formally ended a French ban on ministerial contact with Australia. But how far Mr Giraud's visit indicates a deeper thaw in relations between Paris and Canberra remains to be seen. Mr Giraud is clearly keen to suggest that Australia has taken recently a less "unfriendly attitude" toward France in the UN and that this has encouraged a more favourable climate between the two countries. But he is also keen to repeat a familiar message: Australia should "mind its own business" in regard to French nuclear testing in Mururoa and French policies in New Caledonia for these are issues strictly internal to France.

It has been Canberra's rejection of that message in the past, of course, that has led to the chill in relations with Paris. Canberra has made it clear that it recognises France's contribution in the South Pacific and welcomes a continuing French presence in the region. Still, the Australian Government believes that it is justified in criticising French policy in the region and in raising those criticisms not only bilaterally but in multilateral forums as well. French authorities, however, regard such open criticism as an affront and have been particularly galled by criticism over New Caledonia in the UN. Paris largely held Canberra responsible for the UN's decision in December 1986 to return New Caledonia to its list of territories still under colonial rule. The Chirac Government retaliated to what it saw as Canberra's mischief-making by suspending ministerial contact.

Despite the diplomatic rift—and in contrast to Mr Giraud's account of recent Australian behaviour in the UN—Canberra has yet to show any inclination to revise its criticism of French policies in the South Pacific. The Hawke Government refused to accept the results of the referendum held in New Caledonia last September, arguing the vote was not a genuine act of self-determination. In his address to the UN last October, Australia's Ambassador, Mr Richard Woolcott, repeated Canberra's objection. He described the referendum as "fundamentally flawed" and accused France of failing to meet its obligations under the UN Charter in respect to New Caledonia.

There is little reason to believe that Canberra is about to moderate significantly this position. After all, the regional elections scheduled for April in New Caledonia are likely to provide a new focus for Kanak independence demands, and so revive critical international

attention on the French presence. Nor is the issue of French nuclear testing at Mururoa likely to become less important in Australian domestic politics or in South Pacific diplomacy. The recently concluded superpower agreement to eliminate Soviet and US medium-range and shorter-range nuclear missiles will only strengthen French resolve to maintain a modern nuclear capability.

It is more than a little incongruous that Paris and Canberra have maintained a formal chill while common interests continue to unite the two countries and while relations between them more generally have remained warm and constructive. Still, a true reconciliation between Paris and Canberra will not only require clearing up Australian "misunderstandings" about French policies, as Mr Giraud has suggested. Such a reconciliation will require Paris to reconsider Australia's legitimate concerns in the South Pacific as well.

THE AUSTRALIAN Sees Signs of Strengthening Friendship

42000228c Sydney *THE AUSTRALIAN* in English 24 Feb 88 p 8

[Editorial: "France As an Ally"]

[Text] The visit to Australia of the French Minister for Defence, Mr Andre Giraud, and the appointment of such a senior minister as chairman of the French committee for the Australian Bicentenary, are signs of the French Government's wish to strengthen its friendship with Australia.

There are few countries with whom we have had a closer relationship than France, and few with whom we have more often been on the same side of the great issues that have divided the world. However, it appears that most of the attention given to Mr Giraud's visit will be concentrated on the issues that divide Australia and France, most particularly New Caledonia and French nuclear testing. But, sadly and perhaps dangerously for our mutual security, the manner in which they are often debated could poison our long-established association.

The French Government does not seem to recognise the damage done by the Rainbow Warrior incident to France's reputation in Australia as well as in New Zealand, and its decision last year to repatriate one of the convicted saboteurs gratuitously added insult to injury.

Nevertheless, this series of incidents should not be allowed to obscure the strength of the French case on both nuclear testing and New Caledonia.

France's policy on nuclear weapons, shared by all major parties, is that France, although a member of the Western Alliance, could never be certain that the United States or any other ally would risk a nuclear war if France were invaded.

It therefore believes that its own nuclear deterrent is the strongest guarantee of its security.

All major Australian political parties accept the need for nuclear weapons and, until such time as there has been an agreement between the superpowers leading to a universal, verifiable ban on nuclear weapons, we have no sound reason for reproaching France for providing its own nuclear defences.

And, as Mr Giraud has pointed out, it is inconsistent for Australia to protest with such exceptional vehemence against French nuclear tests in Polynesia because we claim that this is in our part of the world, when both the Soviet Union and China hold tests at sites much closer to Australia.

Under international law Mururoa is as much part of France as Tasmania is part of Australia and Hawaii part of the United States. And France is the only nuclear power to have invited international teams of scientists to inspect the safety of its testing.

The inhabitants of New Caledonia hold full French citizenship and French policy remains firm that it will accept the will of the majority as to its future status. Until now, in referendums and elections, the majority of New Caledonians have consistently voted to remain French.

To be consistent, we should be just as adamant that an indigenous Melanesian minority is not entitled to have sole control in New Caledonia as we have been about similar claims made by Melanesian nationalists in Fiji.

The least we should concede is that on both of these controversies France has a case. For the sake of our old and valuable friendship we should be able to debate our differences without the venom that has recently been evident in our relationship.

/9274

Auckland Tax Reform Delays Likely To Intensify Canberra 'Bureaucratic War'
42000284d Sydney THE AUSTRALIAN in English
30-31 Jan 88 p 6

[Article by Laura Tingle]

[Text] Delays in implementing New Zealand's radical tax reforms are likely to intensify a bureaucratic war in Canberra over the role of taxation changes in Australia's microeconomic reform process.

The war has already produced suggestions of a tax-tariff trade-off for business, of a renewed split between the top personal income tax rate and the corporate rate and advocacy of a broad-based consumption tax to finance company tax cuts.

The volleys reflect an evolving debate about whether taxation should be treated simply as another business cost to be traded off against cuts in protection or whether tax reforms should seek to get the best out of the economy.

Delays in implementation of the New Zealand package have resulted in a lowering of international pressure for radical taxation reform in Australia, leaving the Australian taxation debate in the hands of players with domestic political interests rather than with concerns for our international tax competitiveness.

As well as implications for Australia's future tax rates, the New Zealand scenario will also affect the Australian debate on business and superannuation tax concessions.

The original announcement of a plethora of tax and regulatory changes by the New Zealand Finance Minister, Mr Roger Douglas, meant that the Federal Treasurer, Mr Keating, had to focus on Australia's taxation policy for the first time since 1985.

Over the Christmas break, Mr Keating expressed more concern than his department about the implications of the New Zealand changes for Australia's tax regime.

Treasury's position, though it may have been privately concerned about the effects of the New Zealand changes, has been that it is more important to achieve consistency in Australia's tax regime through its corporate tax review, rather than to chase particular tax rates on offer in other countries.

For this reason, Treasury was keen to see the reform or removal of a number of business concessions.

The New Zealand proposals were a threat, not only because they included a drastic tax rate cut, but also because the dividend imputation tax structure politically entrenched similar concessions in New Zealand by allowing shareholders as well as companies to benefit.

Similarly, the emphasis on superannuation was on removing investment distortions and the scope for corporate tax avoidance.

But the radial scope of the proposed New Zealand changes to superannuation, which would dramatically reduce its tax attractiveness, meant that much of the debate about the tax treatment of superannuation would have gone on offshore, but with major implications for the domestic debate.

It is believed that early work by the Federal Treasury on superannuation came to similar conclusions as the New Zealand Government, which has proposed that employer contributions be taxed as a fringe benefit, superannuation fund earnings be taxed but superannuation payouts be tax-free.

This early view was based on a belief that moves to tax superannuation on payout, through the 1984 lump-sum superannuation tax, were wrong-footed.

This was partly because of the political difficulties, but also because proposals to tax lump-sum superannuation payouts were designed to dovetail with a big shift to a consumption tax in Australia, which has not occurred.

Early concepts were that superannuation contributions on behalf of employees should not be given tax advantages, that superannuation funds should be included in the dividend imputation scheme (which effectively meant no change in their tax liabilities) and that tax on exists, such as lump-sum tax, should be removed.

But Treasury believes such a package would be politically impossible, given the confusion another major change would create.

Treasury's attempts to reform superannuation tax issues mean that it is treading a thin line between other arms of government policy affecting superannuation.

The Social Security Review has been formulating a view on retirement incomes, which covers superannuation.

And the findings of an interdepartmental committee that has been examining, on and off since 1979, the interrelationships of the tax and social security systems is being stalled, despite some pressures from the Department of Finance, to allow the Treasury to finish its review of superannuation arrangements.

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Beazley on Shape of New Defense Role in Southeast Asia

42000288a Sydney *THE SYDNEY MORNING HERALD* in English 23 Feb 88 p 15

[Article by Helen O'Neil: "Australia Sticks To Its Guns in South-East Asia"]

[Text] In a few weeks, a RAAF Mirage will fly out for the last time from the RAAF base at Butterworth on the west coast of Malaysia on its way back to Australia. It will be symbolic departure, marking the end of Australia's role as a protector of the former British colonies on the Malay Peninsula.

But the Australian Government has been at pains to reassure anxious governments in Singapore and Malaysia that the end of the Mirage era at Butterworth does not mark the end of Australia's military involvement in the region.

Last week the Australian Minister for Defence, Mr Beazley, announced two moves which suggest the shape of Australia's new defence role in South-East Asia.

The first is a new agreement to make it easier for Singapore's Defence Forces to hold training exercises on Australian territory. The second involves the visit of an Australian submarine to a Malaysian base for maintenance, the first of a new series of temporary deployments of RAN units in South-East Asia.

Both these moves stress the building of a partnership with Asian defence forces, linking our political and defence interests in a way which has become unfamiliar in the post-Vietnam years, when Australia shied away from using military display as a political tool.

Through all the changes which have marked Australia's post-Vietnam defence re-assessment, the RAAF deployment at Butterworth on a permanent basis has been a fixture until now. However, in recent months Australian institutions there and at Penang, including the 27 year-old RAAF radio station, a school and a hospital, have closed.

By May there will be only 100 RAAF personnel left, down from a peak of 650 with more than a thousand family dependents. Locally-employed staff numbers have also dwindled from a peak of 1,500.

Australians have been there since 1955, a move which grew out of the earlier RAAF involvement in the anti-terrorist war of the Malayan Emergency. In essence, it represented Australia's traditional defence commitments to the British and later to the former British colonies which gained their independence in the 1960s and 1970s.

With the British withdrawal "East of Suez" in 1971, Butterworth became a centre of operations under the Five Power Defence Arrangement (involving Britain, Australia, New Zealand, Malaysia and Singapore), drawn up to ensure the framework of continuing security co-operation for the region. Of particular importance was the establishment of an Integrated Air Defence System (IADS) for the region, of which the Butterworth command was a key component.

From this year on, Australia will be a visitor in IADS exercises, but not a permanent part of the region's defence. It is envisaged that the RAAF's new FA-18 Hornet fighters, many of which will be based at Tindal in the Northern Territory, will be rotated to Malaysia, including Butterworth, for air exercises four times a year.

Mr Beazley acknowledges there was a great deal of uncertainty generated in Malaysia and Singapore following Australia's decision to withdraw the fighter planes from the peninsula.

Traditionally, the Labor Party has been wary of the Five Power agreement because it involved an Australian commitment to "consult" in case of a threat to the Asian

signatories. In the eyes of some in the party, that undertaking could have resulted in an open-ended involvement in another Asian conflict.

The issue was brought back into focus with the decision of the New Zealand's Labour Government to pull its 740-man battalion of troops out of Singapore, saying the commitment was no longer necessary. The New Zealand Prime Minister, Davide Lange, said the troops had given Malaysia and Singapore a "breathing space" in which to develop their own defences.

In a sense, the Government has chosen not to accept this assessment. On a recent tour of the region, Mr Beazley extended Australian commitments, if anything.

He could have concentrated on the technical reasons for the new FA-18s basing arrangements. With their longer range but complex maintenance needs, it is simply more efficient to send them out on deployment than to equip a Malaysian base to handle their needs.

But Mr Beazley not only reaffirmed Australia's commitment to the integrated Air Defence System, he also offered to expand joint operations to include co-operation with regional navies, stressing that the development of substantial surveillance capabilities in regional navies dovetailed with developments in the RAN.

Australian forces will continue to conduct land exercises in Malaysia involving an army company which will continue to be stationed at Butterworth. The base will also host the regular missions of the P3C Orion surveillance aircraft in their sweeps of the South China Sea and the Indian Ocean.

Mr Beazley's blueprint for development of the defence forces, the 1987 White Paper, identifies South East Asia as an area of primary strategic interest for Australia.

The Government believes Australia should be projecting an image as a more militarily active country, one which is finding a role as an independent power. Mr Beazley believes this reputation can help Australia in diplomatic and economic issues as well as in the security area. "Defence is an important reason why these countries want relations," he says.

The deputy head of the Strategic and Defence Studies Centres at the ANU, Dr Ross Babbage, says Mr Beazley has gone further than conservative defence ministers, such as Mr Sinclair and Sir James Killen, in the Fraser Government, in using military display as a policy tool.

"Some would see these moves as provocative, even dangerous. I think we have been too cautious."

One important observer of the FPDA exercises is Indonesia, closely linked to Malaysia and Singapore through the ASEAN structure, and by far the biggest country in the region.

But even now, Dr Babbage says, when Australia's relationship with Indonesia is strained, the military co-operation under the FPDA continues, showing Jakarta that Australia cannot be ignored as a regional player.

It is Singapore which needs most reassurance about Australia's commitment. The Prime Minister, Lee Kuan Yew, has warned repeatedly of the danger that the United States will cut its defence presence in the Pacific as its economy comes under pressure.

Malaysia, on the other hand, while happy for Australia to play its part in regional security arrangements, has stated its intention of building up its own defence forces to be more independent and self-reliant.

Both countries have built up relatively hard-hitting forces in recent years. It is largely in recognition of this development that Australia is now adjusting its defence role in the region to that of a partner as opposed to that of a "big power" protector.

/9274

Trade Negotiations Minister on Agriculture Exposure To Trade Threats
42000288b Sydney *THE AUSTRALIAN* in English
26 Feb 88 p 2

[Article by Robert Hadler]

[Text] Australia's dependence on agricultural exports had increased the vulnerability of the economy to world trade fluctuations and distortions, the Minister for Trade Negotiations, Mr Duffy, said yesterday.

Mr Duffy said agriculture had been exposed to the worst effects of the subsidy and protectionist policies prevalent among the main industrialised countries.

Action to reduce barriers to world trade was urgently required to maintain the momentum of agricultural reform achieved in the early part of 1987.

There were several reasons why all agricultural producers in the present round of international trade negotiations should seek substantial early progress on agricultural issues.

Mr Duffy was speaking to the third ministerial meeting of the Cairns Group of Free Traders in Agriculture, which is discussing initiatives for the 1988 mid-term review of the General Agreement on Tariffs and Trade.

"We must now focus our minds on what we can do in 1988 as a down payment on our overall objectives," he said.

"This will not be easy. Some developments could work against agreement."

Mr Duffy said prices on world commodity markets could firm up this year to reduce the pressure for agricultural reform.

Any move by the United States in the election year away from a commitment to substantial agricultural reform would send signals to domestic policy makers in the EC and Japan to do likewise.

"We must work hard to prevent any waning of the political will for reform, particularly on the part of the major industrial countries.

"Stop-gap measures will not be enough, nor would they offer real benefits to the majority of group members and developing countries overall."

Mr Duffy said the task of the Cairns group was to assess where the negotiations were headed, determine objectives for any early agreement and devise a strategy for pursuing those objectives.

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Report Charges Government 'Too Weak' on Economic Policy

42000284a Sydney THE AUSTRALIAN in English
28 Jan 88 p 2

[Article by Paul Austin]

[Text] The Federal Government is being too weak in pursuing structural adjustments needed to ensure long-term international economic competitiveness, an assessment of economic policy prepared by the Committee for Economic Development of Australia (CEDA) says.

The annual CEDA overview of the economy, to be released today, says the Government's macroeconomic policies are right, but there are doubts about its "willingness, nerve and indeed capacity to push ahead with some aspects of essential structural adjustment—micro measures on which the country's long-term flexibility and ability to adapt to external shocks partly depend".

Written by Dr John Nieuwenhuysen, a reader in economics at the University of Melbourne and CEDA's research director, the paper says: "It is unfortunately true that economic rationality can be the servant of political possibility.

"This is the Government's Achilles' heel."

Dr Nieuwenhuysen identifies taxation, industrial relations and the Constitution as three areas where government reforms are too slow.

He says tax reform seems to have been placed "on a back-burner".

"The Treasurer's preferred Option C from the national tax summit, which included a broad-based consumption tax, was prevented in the interests of consensus politics," he says.

"But for essential reform, consensus may be less sensible than firm government action."

Mr Nieuwenhuysen says industrial relations reform is "up in the clouds".

He says even the "relatively moderate" proposals of the Hancock committee took "enormous time to bring to provisional legislative fruition, and when the Bill on the subject finally emerged, it was very quickly withdrawn, after interest group protests".

Constitutional change is urgently needed, especially for State tax efficiency, but this too is taking a long time.

Dr Nieuwenhuysen argues the Government's lack of will provides scope for the Opposition.

"In particular, if ironically, the policies of the Lange New Zealand Labour Government provide a ready-built model for the Australian Opposition to monitor and consider," he says.

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Report on Burma Communist Party

42000287 Rangoon FORWARD in English Feb 88 p 28

[Text] The Burma Communist Party, which is called Ba-ka-pa (BCP), is seeking shelter in some remote border areas. It had to surrender their strongholds such as Sisiwantapang, Kyukok (Pansai), Manhio, and Kunhai in Muse and Namkhan Townships in the North-East region in the offensives of the Pyithu Tatmadaw columns during December 1986 and January 1987.

And also in August in 1987, they had to give up their Kambaiti, Sinjai and Lahtawng Camps due to the onslaughts of the Pyithu Tatmadaw. These are major set-backs to the BCP's military power.

Since then the BCPs, have gone mad. In a bid to rehabilitate their military strength they, as they have always done, recruited.

The way they recruit is just by organizing people to restrengthen their so-called units which reduced in number by persons who have either been killed during the fighting, or who have deserted or returned to legal fold.

The following is how they recruit from among the indigenous working people living in remote border areas. With intimidation, they told, the people, "Every grown-up person, man or woman, is to join the armed organization as it is necessary for all of us to defend the region as the people will get into trouble when the Government forces come." They also forced one in every two men of a family to join into their armed organization.

They are also reorganizing those who had previously left the BCP for various reasons. Through coercion, they are recruiting males between 15-40 age-group—30-40 age group are organized as BCP village militia; and those who are under 30 as BCP armed personnel.

In fact, the BCPs are recruiting young and ignorant members of the racial groups using intimidation and by giving monetary attraction. They also encourage teenagers to get drunk and forcibly arm them. When they fight with the Tatmadaw they place forward these young people and sacrifice them. And to prevent the young people in front from deserting the BCP hold their parents and relatives hostage.

Inhuman acts committed by the BCP are beyond expression.

While the nations of the world, are making every effort to wipe out the drug menace, the BCPs have become opium traders by and by. They are now heroin manufacturers.

As their third congress held in 1985, the BCP leaders made much of taking stern action against opium trade and heroin manufacturing. It is said that death sentence would be meted out to those who had been found with two kilogrammes of heroin.

But they are not in the habit of doing what they preach. They are reluctant to give up the cultivation of opium poppy, manufacturing heroin and trafficking opium which are lucrative businesses. They are now deeply engaged in the trade for insatiable avarice.

A person in charge of economic affairs of the BCP said in his letter to his follower, "The BCP is undertaking drug trafficking on a large scale when they are in politically and militarily bankrupt." The letter is from among the documents seized by the Pyithu Tatmadaw from the BCPs.

While the State and the entire working people are through organizational and management means, making efforts to keep youth away from the dangers of drug abuse the BCPs will be introducing heroin, a narcotic, to the young people who come to them with wrong ideas. To put it simply, they will send the youngsters to death.

The plight of the indigenous people who are with the BCPs can be divided into two kinds—those who are carrying out their orders for fear of the reckless killings by the BCPs and the young people who have not yet become mature and have no reasoning power.

Let's look at the situation of those young people. They receive only K10 a monthly payment. The money is barely enough even to buy cheroots and rice is rationed to 14 tins per day for ten people. No curry is provided for them. These young people turn to looting and robbery for their survival. Those who are in the leadership live in opulence with which they earn from drug trafficking. When the rank and file notice this difference some deserted, some others returned to legal fold resulting in disarray.

Today's BCP leaders and their masters' masters are of the same species. They are following the same path that their masters have taken.

Recalling the past, the working people will remember the days when their masters' masters of the BCPs have once organized the dare-devil youths as "Red Guards". These "Red Guard" youths had been treated as real revolutionary heroes and they were asked to attack with their dare-devil spirit those who held different views. Their force was used to dismiss, purge and liquidate some members within the party.

When there were more and more ideological differences, they were solved through dismissal-purge-liquidation method and so many a people who were in the leadership and members were brutally killed. The worst is that the BCP indulged in patricide openly.

The BCPs have crumbled due to the practice of dismissal-purge-liquidation used to kill one another when there had been ideological differences. The BCP members including Central Committee members, divisional committee members and provincial committee members have returned to legal fold when they were disillusioned and became disgusted with their wrong policy and loathed the killings of one another within the party. The BCP headquarters and important camps have been destroyed by the Tatmadaw thanks to the co-operation of the working people.

The BCP leaders hide these facts and get the young people [to] join them using various means of persuasion but one day they will be certainly sent to death.

The Burma Socialist Programme Party formed the Lanzin Youth Organizing Committee at different levels to nurture youth. Teza, Shesaung and Lanzin Youths have been formed according to age group. It is aimed at turning out good and able citizens and youth to become builders and defenders of the State; cultivating among

youth the love for dignity of labour, to have consideration for others and willingness to serve the interest of others. It is a widely-known fact that the State is taking various measures for youth to become valuable sons and daughters.

Diametrically opposed to those objectives, the BCPs are trying to spoil the life of youth in many ways. It is hard to bring about the constructive tasks while destructive activities can be carried out at ease. The BCPs are giving training to the sons and daughters of the country how to carry out subversive acts and making them commit criminal acts. In this way, they are sending the youth to the death-trap.

It is now the time to educate the youth not to surrender to the enticements of the BCPs and to expose the real nature of BCPs. The people must join hands with the Tatmadaw and eliminate them.

/9274

Soviet Ship Called in Suva

42000295c Suva *THE FIJI TIMES* in English
24 Feb 88 p 20

[Excerpts] A Soviet research ship called into Suva last week when she developed engine problems.

The ship, Akademik M.A. Lavrentyev, is operated by the USSR Academy of Sciences.

She was in the Pacific when the problem developed. Her Fiji agent, Consort Shipping, made arrangements for her to berth in Suva and she arrived on Tuesday morning last week. Engine parts were machined in Suva and installed by the ship's crew. The Lavrentyev spent three days and left on Thursday 18.

The Lavrentyev is next due in Wellington, from where she will move on to conduct further research.

08309

Australian Aid Resumed

42000295d Suva *THE FIJI TIMES* in English
2 Mar 88 p 18

[Text] Australia has signalled its resumption of aid to Fiji with the contribution of \$2,250,000 for five industrial and health schemes around the country.

The Australian acting ambassador in Suva, Mr Peter Stanford, presented five cheques for the amount to the acting Prime Minister and Minister for Finance, Mr Josefata Kamikamica, on Friday.

An Australian Embassy spokesman said the Yalavou beef scheme would receive \$208,500 while the mutton sheep industry on Makogai would receive \$156,375.

The largest amount—\$990,375—will go towards salaries and expenses under the Australian Staffing Assistance Scheme.

The Northern Division rice scheme will receive a cash grant of \$834,000 while the third annual health administration course for Fiji at the University of the South Pacific will receive \$37,679.

The governments of both countries agreed in early February to resume aid, suspended after the two military coups last year.

The decision followed talks between the government and a team of senior officers from the Australian International Development Assistance Bureau (AIDAB) and the Australian Department of Foreign Affairs and Trade.

An AIDAB team was in Fiji last month to make arrangements with individual ministries, said the Embassy official.

08309

Constitution Draft Review Forthcoming

42000295e Suva *THE FIJI TIMES* in English
4 Mar 88 p 3

[Text] A Cabinet committee appointed to consider the draft constitutions now with the government is expected to have a firm recommendation for Cabinet shortly, its secretary, Mrs Lavenia Ah Koy said yesterday.

The committee met for the first time on Wednesday and drew up a programme of work.

"We expect to be meeting regularly to try to complete that work in the shortest possible time," she said.

Mrs Ah Koy said the committee had not set a time limit but it should complete its work within a few months.

The committee will be considering draft constitutions from the Great Council of Chiefs, the Constitutional Review Committee and the Fiji Military Forces.

The Constitutional Review Committee had submitted two reports a majority and a minority report.

The majority report favours changing the 1970 Constitution, giving Fijians political control of the country.

The minority report favours the retention of the 1970 Constitution.

Both the Great Council of Chiefs and the military drafts favour giving Fijians political control.

The Cabinet committee will consider the views expressed in these draft constitutions and make its own recommendations to Cabinet.

The committee chaired by the Minister for Lands, Ratu William Toganivalu, will meet again on March 16.

08309

Taukei Movement Wants Coalition Reinstated

42000295a Suva *THE FIJI TIMES* in English
15 Feb 88 p 3

[Text] The Taukei Movement now wants the Coalition government reinstated.

A spokesman said yesterday if the country could not be governed by the mandate of the Great Council of Chiefs, then it should be governed by the mandate of the people.

The Coalition had this mandate, he said.

Ratu Inoke Kubuabola was commenting on reports that attempts were under way to reorganise the Great Council of Chiefs.

"Any reorganisation of the Great Council of Chiefs should come about after the new constitution has been adopted," Ratu Inoke said.

"In April the mandate of the people gave powers to the Coalition to govern the country. On May 14 Rabuka came with the guns and on May 19 he called a meeting of the Great Council of Chiefs which gave him the mandate to change the constitution.

He said in July the Great Council of Chiefs reaffirmed its decision to make changes to the constitution guaranteeing political supremacy to the Fijian people and, if necessary, to declare Fiji a republic.

"But on whose mandate is the present Alliance government running the country?" Ratu Inoke asked.

Statements by the Prime Minister, Ratu Sir Kamisese Mara, that the present administration would have to remain for about two years were not acceptable to the people, he said.

According to a Fiji Times report last week, the Ministry of Fijian Affairs was planning to revamp the Great Council of Chiefs to include two Houses, with the Lower House having 51 members and the Upper House a membership of 10.

According to Ratu Inoke each province would nominate 10 members to the Great Council of Chiefs. These names would be presented to the heads of the respective confederacies who would choose 10 each to represent them.

He said the changes were meant to streamline the council and reduce its membership.

"But the Taukei Movement is opposed to any changes yet because we do not have a constitution.

"The present Great Council of Chiefs set the ball rolling towards a new constitution and they should be there to approve one.

"The Alliance government is trying to play around with the composition of the Great Council of Chiefs so that it becomes easier for them to promulgate their constitution."

08309

Taukei Issued Policy Declaration
42000295b Suva THE FIJI TIMES in English
23 Feb 88 p 14

[Text] The Taukei Movement has issued a 15-point policy declaration.

It says it supports the government's efforts to stabilise the economy.

But its main aim is to work for changes in the constitution as agreed to by the Great Council of Chiefs meeting last July.

The Taukei Movement executive met at the weekend and approved a 15-point declaration of beliefs.

"These declarations form the basis of the Taukei Movement's beliefs and action," its spokesman Ratu Inoke Kubuabola said.

"The movement is working to replace its militant image with one of respectability," he said.

Ratu Inoke said the Taukei executive, in moving to create a respectable image, had decided on two main aims.

They were to work towards a new constitution with the changes the movement favoured and support Brigadier Sitiveni Rabuka and the government's efforts to stabilise the economy.

Ratu Inoke said it was alleged that the Taukei were not concerned with the economy.

"We are very much concerned with the economy.

"Our only bone of contention with the present administration is that we believe the constitution should be changed first to meet the aspirations of the coup."

The 15-point declaration of beliefs includes multi-culturalism, a just and humane society and the protection of freedoms of the individual.

It says that Fiji should be governed under Christian principles and the Fijian peoples' interest must be of prime importance at all times.

"We believe in parliamentary democracy where the spirit of free people must prevail and where the leadership of the indigenous people in their country is guaranteed," it says.

But political stability would depend on the tolerance and understanding of all the people of Fiji, says the declaration.

08309

Trade Figures With PRC

42000281b Jakarta BUSINESS NEWS in English
26 Feb 88 p 9

[Text] Indonesia's exports to China, according to data obtained from the Central Bureau of Statistics (BPS), were worth US\$14 million in 1982, US\$27 million in 1983, US\$8 million in 1984, US\$84 million in 1985 and US\$139 million in 1986.

The value of Indonesia's imports from China was registered at US\$204 million in 1983, US\$224 million in 1984, US\$248 million in 1985 and US\$337 million in 1986.

Despite the increase in Indonesia's exports to China, Indonesia still had to sustain deficits in trade with that country because of the swelling of Indonesia's imports.

/9274

Chinese Nationals Required To Register

42000281d Jakarta ANTARA NEWS BULLETIN in English 5 Feb 88 p A7

[Text] Jakarta, 5 Feb (ANTARA)—Thousands of China's citizens in Indonesia who are subject to the Government Regulation (PP) Nr. 10/1959 are obliged to reregister at the nearest by immigration offices to get detailed information about their status.

Minister of Justice Ismail Saleh SH said here Thursday that he had instructed the director general for immigration to trade where those foreigners were domiciled.

PP Nr. 101959 contains a stipulation which prohibits foreign citizens to carry out business activities in the villages and subdistricts. They are allowed to do business in cities, towns/municipalities and capital of regencies.

The obligation for the reregistration has been announced following the issuance of the Ministerial Decree Nr. M. 05.01.06/1987 dated September 15, 1987 on the immigration status of China's citizens who have obtained exit permits to return to China but have not been able to leave Indonesia, he explained.

China's citizens who have got SKKA (identity cards for foreigners) can change their status and become WNI (Indonesian citizens), he said. SKKA is given to foreigners who have been domiciled in Indonesia for over 15 years.

/9274

Value of Trade With Singapore Declining

42000281c Jakarta BUSINESS NEWS in English
4 Mar 88 p 6

[Text] The value of Indonesia's exports to Singapore has tended to decline in the past several years. According to data presented by the Central Bureau of Statistics (BPS), Indonesia's exports to that neighbouring country were worth US\$3,121 million in 1982, US\$3,128 million in 1983, US\$2,125 million in 1984, US\$1,626 million in 1985 and US\$1,239 million in 1986.

The value of Indonesia's imports from Singapore has shown a massive plunge. Based on the available data, Indonesia's purchases of goods from that island state reached US\$3,464 million in 1983, US\$1,791 million in 1984, US\$837 million in 1985 and US\$969 million in 1986.

/9274

Trade Surplus With Malaysia

42000283a Jakarta ANTARA NEWS BULLETIN in English 3 Mar 88 p A8

[Text] Kuala Lumpur, 3 Mar (ANTARA)—The development of bilateral trade between Indonesia and Malaysia in the last few years has shown a favourable trend in favour of Indonesia, with the exception of 1987, according to data from the Indonesian trade attaché's office in Kuala Lumpur.

In 1987 the surplus in the balance of trade between the two countries narrowed down due to Malaysia's increasing exports to Indonesia, so that trade between the two countries became almost balanced.

Indonesian exports in 1987 recorded a value of Mal\$403.7 million and Malaysia's exports to Indonesia a value of Mal\$343.5 million, a surplus for Indonesia of Mal\$60.4 million.

/9274

Pertamina To Refine Malaysia's Crude

42000281e Jakarta ANTARA NEWS BULLETIN in English 9 Feb 88 p A3

[Text] Jakarta, 9 Feb (ANTARA)—One of Indonesia's oil refineries is to process Malaysia's crude oil as of the end of this month, President Director of Pertamina A. R. Ramly told newsmen here Monday.

The state oil company Pertamina has signed a contract with an Indonesian private company as the third side for the refining of around 10,000 to 20,000 barrels of Malaysia's crude daily for one year.

Pertamina's Processing Director J. R. Oekon explained meanwhile that an Indonesian private company had bought crude oil from Malaysia's oil company Petronas and would re-export the oil to Malaysia after being refined in Indonesia.

/9274

Japanese To Build Fifth Train of Bontang LNG Plant

42000282a Jakarta ANTARA NEWS BULLETIN in English 12 Feb 88 pp A7, A8

[Text] Jakarta, 12 Feb (ANTARA)—A contract for the construction of the fifth train of the Bontang gas plant, East Kalimantan, between Pertamina and two Japanese companies was signed here Thursday.

The document of the contract was signed by the President Director of Pertamina, Abdul Rachman Ramly, the Manager of Chiyoda Corporation, S. Koba, and the Managing Director of Mitsubishi, T. Eguchi.

The train will be completed at a total cost of US\$316 million derived from foreign assistance. The funds will be provided on a non-resources basis by a consortium of Japan's big companies and a group of Japan's banks.

That fifth train will produce LNG to be supplied to Taiwan as of January 1990. LNG already produced by four trains at the Bontang gas plant is shipped to Japan. Indonesia exports to Japan around 16 million tons of LNG annually from the Arun gas plant (Aceh) and the Bontang gas plant.

/9274

Japan's Imports of Indonesian Oil Drop
42000282f Jakarta ANTARA NEWS BULLETIN in English 24 Feb 88 p A3

[Text] Tokyo, 24 Feb (ANTARA)—Indonesia's crude oil exports to Japan stood at 2.38 million kls last month, a decline of about 5.3 percent compared to the corresponding period of the previous year, according to reports issued here by the Japanese Ministry of International Trade and Industry (MITI) on Tuesday.

The overall crude oil imported by the country in January was 17.79 million kls, a decrease of about 1.2 percent against the same period of last year.

However, this figure showed an increase of around 5.9 percent compared to the previous month, the reports said.

Indonesian share in Japanese markets was 13.37 percent for total crude oil imported by Japan, placing Indonesia as the second largest exporter after United Arab Emirates (UAE).

/9274

France To Cooperate in Various Fields

42000281f Jakarta ANTARA NEWS BULLETIN in English 9 Feb 88 p A12

[Text] Jakarta, 9 Feb (ANTARA)—Indonesia expects France's private business sector to invest in Indonesia in the fields of toll roads, garbage control and clean water supply, a joint communique between Public Works Minister Suyono Sosrodarsono and French Vice Minister for Transport Jacques Douffiagues said here Monday.

In the communique both ministers also agreed to develop a cooperation program in education and training, besides working for the construction of clean water facilities, supplied by water taken from the Cisadane River.

They also agree to develop several points laid down in the communique, among others to provide long term expert aid to the director general of building construction in the framework of preparing programs for the development of new cities, such as Bekasi satellite town into a fullfledged city.

Douffiagues on the other hand expected from the Indonesian public work ministry that opportunity be given to French businessmen in the fields of consulting, construction and supplies to participate in the implementation of public works projects, which are financed by other foreign countries.

Indonesia, the minister of public works said, highly appreciates the implementation of the working program by France, which among other things covers the feasibility study on the possibility of developing estuary reservoirs in Pontianak, Nusa Dua and Gresik.

To newsmen, Minister Suyono Sosrodarsono said, Indonesia will also study the French offer to construct roads based on the "build, operation and transfer" (BOT) system. The BOT system, according to the minister, is a contract which will be for the first time introduced for road construction in Indonesia.

/9274

Suharto Orders Exploration of Steel Import Possibility

42000281h Jakarta ANTARA NEWS BULLETIN in English 10 Feb 88 p A9

[Text] Jakarta, 10 Feb (ANTARA)—President Soeharto has issued an instruction to explore the possibilities of importing steel from the socialist countries, such as the Soviet Union, East Germany and Hungary, on the basis of the counter-purchase system.

The instruction was connected with a report by President Director of PT Krakatau Steel T. Ariwibowo to the Head of State here Wednesday with regard to the fact that Indonesia's steel output was still insufficient to meet domestic demands.

Ariwibowo reported to the President that the further development of industries in Indonesia would need more steel. He said this year's hot rolled coil output stood at one million tons while consumption reached 1.5 million tons. The 500,000-ton shortage estimated to cost US\$200 million, must be imported, he said. In the long run, he added, the state enterprise's production capacity would be stepped up until 1991.

The investment, including a joint venture, would amount to US\$400 million, he said.

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Trade Surplus With Netherlands

42000282b Jakarta ANTARA NEWS BULLETIN in English 18 Feb 88 p A6

[Text] Jakarta, 18 Feb (ANTARA)—Indonesia's exports to the Netherlands is at present bigger compared with its imports from that country, showing therefore a balance of trade favourable for Indonesia.

Data obtained from the Central Bureau of Statistics here Thursday, show that Indonesia's exports to the Netherlands from January through September 1987 had reached the amount of US\$329.1 million, while its imports from that country accounted for US\$228.8 million, showing therefore a surplus of US\$100.3 million in Indonesia's favour.

According to the same data, Indonesia recorded a surplus of US\$263.3 million in its balance of trade with the Netherlands in 1986, because its exports stood at US\$452.6 million, while its imports at US\$189.3 million.

/9274

Food Procurement Chief Optimistic About Rice Supply

42000283d Jakarta ANTARA NEWS BULLETIN in English 20 Mar 88 p A7

[Text] Jakarta, 10 Mar (ANTARA)—Minister of Cooperatives/Chairman of the National Logistics Board (Bulog) Bustanil Arifin is still optimistic that rice requirements for this year's national stock can be fulfilled.

Speaking to reporters in between his activities in the current general session of the People's Consultative Assembly (MPR) here Wednesday, Bustanil Arifin said he was very optimistic that a target of procuring an additional two million tons of rice for this year's national stock could be achieved.

He said that in an effort to meet the target, Bulog would, for the current and next September harvest seasons, buy more rice from farmers.

Commenting on recent press reports fearing possible failure of Bulog in meeting the projected rice target for the national stock, Bustanil Arifin just said that "there is no problem for Bulog in obtaining the rice."

He also ruled out the possibility of importing rice to meet the projected target.

Indonesia since 1984 has been self-sufficient in rice production.

/9274

Sumarlin Reveals Partial Use of Standby Loan

42000281i Jakarta ANTARA NEWS BULLETIN in English 11 Feb 88 p A7

[Text] Jakarta, 11 Feb (ANTARA)—The government is forced to use part of the standby loan to finance development in the 1986/1987 fiscal year, due to the catastrophe caused through the fall in price of crude oil from an estimated US\$25 to an average lower than US\$10 per barrel in 1986.

"The fall in crude oil price is a catastrophe and to save the national development, part of the standby loan had to be used through changing it into rupiah", Minister for National Development Planning and concurrently Chairman of BAPPENAS (National Development Planning Board) Prof Dr J. B. Sumarlin told ANTARA Thursday.

According to Sumarlin, the government had used about US\$1 billion of the US\$2.3 standby loan which it had at its disposal to finance Indonesia's development in the 1986/1987 fiscal year.

The interest of this loan is around eight to ten percent with a grace period of seven to ten years.

/9274

Pertamina To Prioritize Secondary Recovery Program

42000282c Jakarta ANTARA NEWS BULLETIN in English 18 Feb 88 pp A5, A6

[Text] Jakarta, 18 Feb (ANTARA)—The state-owned Pertamina oil company will give priority to its secondary recovery program in 1988.

President Director A. R. Ramly told a parliamentary hearing Wednesday that recovery projects are still economically feasible.

19 April 1988

Indonesia's oil projects were carried out some 100 years ago with a conventional technology so that production was only a little or about 25 percent of the well capacity.

"Therefore they are still economically feasible for a secondary recovery", Ramly said.

Some projects are spread in Sumatera, he said without telling how many of them are useful.

/9274

Sudomo Says 6 Percent Growth Required To Absorb Job-Seekers
42000282e Jakarta ANTARA NEWS BULLETIN in English 23 Feb 88 p A6

[Text] Jakarta, 22 Feb (ANTARA)—Indonesia's economic growth rate should reach 5.9 to 6 percent a year in order to overcome unemployment problems, Minister of Manpower Sudomo said Monday.

Over the past five years, the economic growth rate has remained at an average of 3.6 percent, whereas the growth of the work force has reached four percent a year, said Sudomo after a meeting with President Soeharto at the Merdeka palace here.

With a 3.6 percent economic growth, Sudomo estimated that the number of job-seekers increased to 1.5 million by the end of 1987.

"We need at least six percent to have a balance between job opportunities and the growth of the work force, or so that at least the problem of 1.5 million job-seekers at the end of 1987 can be resolved," he said.

Commenting on a 3.9 percent growth in job opportunities, which has provided jobs to 2.9 million job seekers rather than 1.2 million as previously estimated, the minister said it was thanks to the informal sector.

Therefore, the informal sector should be given more attention in the 5th Five Year Plan (1989-1994), he added.

/9274

Subroto Predicts Growth To Exceed 3.8 Percent
42000283b Jakarta ANTARA NEWS BULLETIN in English 6 Mar 88 p A8

[Text] Jakarta, 6 Mar (ANTARA)—Mines and Energy Minister Soebroto said Saturday Indonesia's economic growth in fiscal 1988-89 (April-March) could surpass the 3.8 percent growth recorded in the current 1987-88 fiscal year.

The minister, a member of the People's Consultative Assembly (MPR) from GOLKAR, gave his prediction to reporters when he was about to attend a commission meeting at the MPR Building.

According to the minister, he saw several indications supporting his prediction.

First, Indonesia's non-oil/gas export can be expected to rise to around US\$11 billion in 1988-89 from US\$9 billion in 1987-88.

Meanwhile the world price of oil (which for the calculation of the 1988-89 State Budget was conservatively set down at US\$16 per barrel) is likely to reach a level quite above that projected figure, the minister predicted.

The nation's export of gold is also expected to be much higher than the volume of 11 million tons exported in 1987-88, he added.

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Oil Production Sharing Contracts Signed
42000282g Jakarta ANTARA NEWS BULLETIN in English 1 Mar 88 p A6

[Text] Jakarta, 1 Mar (ANTARA)—Two oil production sharing contracts for 1988 were signed here Monday by the State-run oil and gas company Pertamina and Trend East Java Ltd for oil prospecting in onshore Tuban, East Java, and Canada Northwest Energy for oil prospecting in the Ogan Komering Bloc, South Sumatra.

The signing of the contracts was done by Minister of Mines and Energy Prof Subroto, President Director of Pertamina A. R. Ramly, director of Canada Northwest Energy Julio Poscente and Manager of Trend East Java Ltd., John C. Vinje.

Under the contracts, the oil contractors will operate together with Pertamina in Pertamina's mining concession areas, in an area of 7,391 square kilometers in onshore Tuban, East Java, with Trend East Java, and in an area of 4,630 square kilometers in the Ogan Komering Bloc in South Sumatra.

Pertamina will act as the main operator in both areas while the two contracts will give supports. Meanwhile the funding of the whole joint exploration and development will be fully borne by the contractors.

/9274

Oil Find in West Java
42000282h Jakarta ANTARA NEWS BULLETIN in English 3 Mar 88 p A5

[Text] Jakarta, 3 Mar (ANTARA)—The state oil company Pertamina has struck oil to the capacity of 5,402.48 barrels and natural gas to the capacity of 1.93 million

cubic feet per day in a wildcat well at Rengasdengklok, about 150 kilometers northeast of Jakarta, the company's spokesman K. A. Endin announced Wednesday.

He said the exploration well, the Rengasdengklok L. 1, is located in a swampy area on the northern coast of West Java, 18 kilometers northwest of Rengasdengklok village.

Pertamina started drilling the well on December 1 last year and reached the final depth of 1,727 meters on January 18, 1988.

The well was the first to be explored in the Rengasdengklok L geological structure.

/9274

No New Irrigation Projects in 1988/89

42000282d Jakarta ANTARA NEWS BULLETIN in English 19 Feb 88 pp A3, A4

[Text] Jakarta, 18 Feb (ANTARA)—The Directorate General of Irrigation will not build any new projects in 1988/1989 because of limited funds, but projects which are underway now will be continued, an official has said.

Soebandi Wirosomarto, the director general of irrigation, told a hearing with House Commission here Thursday that his directorate has just received a total fund of Rp 58.9 billion in the current budget.

He said with this limited fund, the directorate needs financial support from other sources, such as funds from the World Bank and from the Presidential Aid for the irrigation sector.

The directorate has switched funds for suspended projects to needy projects, according to Wirosomarto.

Several projects that lack funds are, for example, the Citanduy projects in West Java and two maintenance and water distribution projects in Janeberag river, South Sulawesi and Bah Bolon river, North Samatra.

He said funds for the three projects, Rp60 million, Rp75 million and RP 33 million respectively are transferred to projects for flood control and study.

/9274

Plantation Commodity Exports Up

42000281a Jakarta BUSINESS NEWS in English 24 Feb 88 p 11

[Text] Indonesia's exports of plantation commodities in 1987 were worth around US\$2,142.15 million, covering around 14.7 percent of the total value of overall exports, 32.3 percent of the export value of non-oil/gas commodities and 52.6 percent of the export value of agricultural produce in the same year.

The increase in the export value of the most important plantation commodities in 1987 compared with that in the previous year was about 15.1 percent for palm oil, 1.0 percent for natural rubber, 5.4 percent for tea, 30.1 percent for cacao, 6.0 percent for coffee and 13.1 percent for pepper.

Junior Minister for Hard Crop Production Hasyru Harahap gave an explanation of development in exports of plantation commodities at a working conference of the Agriculture Ministry here recently. The growth of exports is due to the increase in the output of plantation commodities as well as the expansion of export markets and the intensification of exports to the traditional export markets, according to Harahap. In promoting exports of plantation commodities, Indonesia utilizes the services of association of commodities and international marketing, he said.

Indonesia still imports various plantation commodities to meet the demand of industries in the country and household consumers. cotton and sugar are among plantation commodities that are still imported. Last year, Indonesia imported 187,553 tons of cotton [as published] worth US\$189,152,000 and 79,879 tons of sugar valued at US\$16,387,000.

/9274

Manpower Minister Comments on Expatriate Workers

42130083a Jakarta PELITA in Indonesian 4 Feb 88 p 3

[Text] Jakarta (PELITA)—Minister of Manpower Sudomo emphasized that the use of foreign workers in Indonesia does not in fact need to be feared or distrusted. The government is pursuing this matter selectively along with showing utmost attention through "Operation Caution."

This matter was made public in response to existing beliefs that expressed fear of the use of foreign workers. Before taking part in a limited session of Economic, Finance, and Industry Affairs in the Bina Graha [Executive Office Building], Sudomo said that the regulations issued in 1987 concerning foreign workers cover two categories. The first concerns consultants used to raise the level of design and product quality of exports. The second concerns workers [placed] for the "Quality Control" of export products that their companies have ordered.

Neither of these two categories infringe on the position of the Indonesian worker. The main point is that foreign workers are used for processes relating to technology transfer. In accordance with the monitoring, only 50 foreign workers have so far entered the country.

According to Sudomo, this method has been practiced by Thailand, with the result that their exports have risen. For several commodities, such as precious stones, paper flowers, and others, Thailand has had very sizeable exports while Indonesia has been left behind.

Another regulation covering foreigners working for companies, which export most of their production, is that they must have a Foreign Worker Permit (IKTA), as is the normal procedure. According to the minister this procedure is still not being used.

Limits

According to the minister, the government is still putting limits on foreign employment. This is meant to prepare Indonesian workers as replacements.

This is borne out by the 10.28 percent decrease in the number of foreign workers from 19,864 in 1986 to 17,911 workers in 1987. "This means that their replacement by Indonesian workers has increased," added Sudomo.

Besides this, the government is also carrying out "Operation Caution" which is directed toward foreign workers by the Departments of Manpower, Immigration, Police, Regional Community Welfare Boards [BKMD], and regional governments. This supervision concerns work permits and provisions in force.

As a result of this monitoring in 1987, 37 cases involving 47 foreign workers were uncovered. Actions taken consisted of deporting 8 people, revoking the work permits of 4 people, and issuing warnings to 35 people.

Concerning the difference in salaries between foreign workers which is much higher than Indonesian workers, the minister said that as long as regulations concerning the minimum wage were fulfilled, there was no problem.

13416/12232

Resettlement of 175,000 Families Planned for 1988, 1989

42000281g Jakarta ANTARA BUSINESS NEWS in English 10 Feb 88 p A5

[Text] Jakarta, 10 Feb (ANTARA)—Minister of Transmigration Martono said here Wednesday that the government has projected to transmigrate some 175,000 families in the 1988/89 fiscal year of the fifth year of the current fourth Five Year National development Plan (Pelita IV).

Addressing a meeting of ranking officials of his ministry here, the minister further said that his ministry would face heavy challenges since the ministry had only a limited budget for the 1988/89 fiscal year.

According to him, the ministry of transmigration had only a budget of Rp102.45 billion for that period, and most of the fund would be used to finance routine spendings and various urgent activities.

Such activities would include the construction of various general infrastructures at several resettlement sites, he added.

He also said that his ministry faced some difficulties in transmigrating people from Java to outside Java.

He also disclosed that in the 1988/89 fiscal year his ministry would also launch local transmigration program by resettling nomad farmers and victims of natural disasters. The program, he went on, would be carried out in cooperation with the ministries of social affairs, public works and forestry.

In addition, his side in cooperation with the ministry of public works would also carry out rehabilitation works at various resettlement sites, he said.

/9274

NU Chief Disappointed by Decision on Muslim

Boarding Schools

42000283c Jakarta ANTARA NEWS BULLETIN in English 10 Mar 88 p A1

[Text] Jakarta, 10 Mar (ANTARA)—Abdurrahman Wahid, the general chairman of the Nahdlatul Ulema (NU) Islamic organization, was disappointed by the decision on the exclusion of "pesantren" Islamic school system from the coming National Policy Guidelines.

"Personally I am disappointed", but as a citizen "we have an obligation to adhere to the nation's decision", he said in response to the decision made through a vote by the People's Deliberative Assembly (MPR) Tuesday.

The subject matter was one of the seven points proposed by the United Development Party faction that led to the vote.

"Well, we'd better accept it", the MPR member from the ruling Golkar faction said, adding that the point may still be forwarded in the future MPR session if it is necessary.

He ruled out the possibility of presenting the subject matter to the law discussion in the parliament.

"I don't think it will be necessary because it will be different", he said without elaborating.

/9274

Biographic Items on Political Figures

Dr Sudardji Dies

42000283e Jakarta ANTARA NEWS BULLETIN in English 22 Feb 88 p A5

[Excerpts] Jakarta, 22 Feb (ANTARA)—Drs Sudardji (49), a parliamentary member of the Persatuan Pembangunan Faction, passed away here Sunday morning because of a heart attack.

Sudardji was chairman of the Moslem-backed Persatuan Pembangunan Faction in parliament for the 1982-1987 period. Graduated from the Economics Faculty of the Gajah Mada University in Yogyakarta, he had been active in organisations, such as HMI (Islamic Students Association), since he was young.

He has become a member of DPR (House of People's Representatives) since 1971, representing Parmusi (Indonesian Moslem Party), which then together with other Islamic parties set up the Persatuan Pembangunan Faction.

Maj Gen Nugroho, Department of Home Affairs secretary general

42000283e Jakarta ANTARA NEWS BULLETIN in English 24 Feb 88 p A5

[Text] Jakarta, 24 Feb (ANTARA)—Army Major General Nugroho has been appointed as the secretary general of the ministry of home affairs, the ministry spokesman said Wednesday.

He is to replace Retired Major General Aswismarmo, who has been appointed as the Indonesian ambassador to the Socialist Republic of Vietnam.

The former junior attorney general for intelligence affairs was born in Mojokerto, East Java, in 1938.

He graduated from the National Military Academy in 1961 and finished the Army Staff and Command Course in 1975.

H. Alimuddin Simanjuntak, deputy governor of North Sumatra

42000283e Jakarta ANTARA NEWS BULLETIN in English 26 Feb 88 p A3

[Excerpts] Jakarta, 26 Feb (ANTARA)—Home Affairs Minister Soepardjo Rustam next Monday is scheduled to install H. Alimuddin Simanjuntak as the deputy governor of North Sumatra province.

Simanjuntak was formerly the North Sumatra administration's regional secretary.

Born in Balige on March 16, 1931, Alimuddin Simanjuntak is married to Lucy Illahude and has five children.

He is a graduate of the social science faculty of the Yogyakarta Cajah Mada University and once spent nine months abroad to attend several courses under the sponsorship of Unesco (United Nations Educational, Scientific and Cultural Organization).

Reassignments in Department of Foreign Affairs

42000283e Jakarta ANTARA NEWS BULLETIN in English 25 Feb 88 p A9

[Text] Jakarta, 25 Feb (ANTARA)—Indonesian Ambassador to Vietnam John Lohanapessy has been appointed director general for political affairs of the foreign ministry succeeding outgoing Nana Sutresna, sources at the ministry disclosed here Thursday.

Nana Sutresna was recently appointed Indonesian Ambassador to the United Nations in New York, the sources added.

They also said that Husni Thamrin Pane, head of the ministry's education and training agency, would be replacing Wisber Loeis, who has been appointed Indonesian Ambassador to the United Nations in Geneva.

Meanwhile, Aswismarmo, former secretary general of the home affairs ministry, has been appointed Indonesian Ambassador to Hanoi succeeding John Lohanapessy.

/9274

Regional Ulamas Protest New Soccer Lottery

42130083b Jakarta TEMPO in Indonesian 16 Jan 88 p 29

[Text] The name change of the Soccer Lottery from Porkas to SOB [Sumbangan Olahraga Berhadiah: Sports Donations with Prize] seems to have far-reaching consequences. The regional ulamas who had declared the Porkas to be forbidden by Islam feel they are not bound by the decision of the Central Council of Indonesian Ulamas [MUI] that forbade the regional Councils of Ulamas to issue rulings on the Porkas.

Last year the Central Council of Ulamas did in fact make an appeal [to the regions] on the matter. "It was for the regional Councils of Ulamas not to make an issue of the Porkas anymore," said the chairman of the East Java Council of Ulamas, K.H. Misbach. Another reason: so that there wouldn't be any vacillation on the issue.

This would not be the first time there was confusion on religious rulings [fatwa]. The West Java Council of Ulamas, for example, during the leadership of K.H.E.Z. Muttaquien (deceased) issued a strict ruling that marrying a pregnant woman (because of pre-marital relations) was forbidden. There were other regional Councils of Ulamas which agreed with this ruling, but there were also many which did not.

It seems that this problem is considered to be serious. During the Third National Congress of the Indonesian Council of Ulamas in 1985, this issue was ordered to be resolved. On 18 January 1986, a decision was made: "A Guide for the Indonesian Council of Ulamas on Procedures for Making Religious Rulings." With this, according to the chairman of the Indonesian Council of Ulamas Fatwa Committee, K.H. Prof Ibrahim Hussein, "we eliminate the confusion on issuing religious rulings."

The authority for issuing rulings was also regulated by Article 3 of the above document. Problems of religion that are of general nature and on a national scale are under the sole jurisdiction of the Central Indonesian Council of Ulamas. Whereas the local council of ulamas have jurisdiction for rulings limited to only "regional cases." And even these rulings must be issued with the prior consultation of the Indonesian Council of Ulamas Fatwa Committee. This was agreed upon by all.

But after the Porkas began, the situation changed. Several regional councils ignored the guide. Because the Porkas was a national problem, they waited for the Central Council of Ulamas to issue a ruling on the issue. It turned out that the Council chose to keep quiet. Abraham Hasteen privately once said that the lottery wasn't gambling. Therefore it was not forbidden by Islam.

Apparently, a number of local councils were upset and began to violate the limits on jurisdiction for issuing rulings. The West Java Council started it off, saying that

the lottery was gambling. Gambling is forbidden, and thus the Porkas was forbidden. Other areas developed their own rulings along these same lines. Among them are Yogyakarta and East Java. They did not feel bound by, and were even critical of, the statement of Ibrahim Hussein concerning the lottery. "It is his private opinion, not that of the Central Council of Ulamas," said K.H. Misbach.

Ibrahim Hussein didn't yield in his opinion. He even wrote the book "Ma Hual Maisir. What is Gambling?" that defended the lottery and said that the understanding of the ulamas on gambling was incorrect. In response, the regional councils objected even more strongly. This is what drove the Central Council to issue the above-mentioned appeal.

Now there are many who do not care about the appeal. They have their reasons: The Central Council promised to send a delegation to the president to relate the problems of the Porkas. "The feeling is, why has nothing happened yet," said the chairman of the Yogyakarta Council of Ulamas, H. Djuwani.

A number of other famous ulamas agree. K.H. Hamam Ja'ffar of the Pabelan Religious Boarding School [Pesantren] and K.H. Ali Darokah of Solo's Jamsaren Religious Boarding School, for example, explicitly calls the SOB a form of gambling that will bring misery to the religious community [umat].

13416/12232

Study of Malay Language Increasingly Popular in USSR
42130078c Kuala Lumpur *BERITA HARIAN* in Malay
21 Jan 88 p 10

[By Ina Najid]

[Text] The Malay language has developed extensively and has attracted attention throughout the world because it is a beautiful and attractive language and is easy to study. A foreign expert on the Malay language who loves it is Prof Vilen Sikovsky, who teaches at Moscow University, in the Soviet Union.

In the view of Professor Sikovsky the Malay language is developing easily in the Soviet Union because many people there are interested in it. There are many universities in the Soviet Union which offer the Malay language in their programs of study, and students who study the Malay language in the universities are increasingly numerous.

Professor Sikovsky, a Malay language and literature scholar at Moscow University, is now in Malaysia to carry on more detailed research on the capabilities of the language.

When he returns home, he plans to publish two books which, he hopes, will help the Malay language to spread and become more popular in the Soviet Union. The books are entitled, "Perkembangan Sastera Melayu Klasik Dari Abad Ke-17 Hingga 19" ["The Development of Classical Malay Literature from the 17th to the 19th Centuries"] and "Perkembangan Sastera Melayu Nusantara" ["Development of Malay Literature in the East Indies"].

Professor Sikovsky was attracted to the Malay language because it is very beautiful and is easy to study. This consideration attracted Professor Sikovsky to the Malay language and strengthened his desire to study the language scientifically.

He told writers from the State of Terengganu at the Pelita office recently: "I began to be interested in studying the Malay language in 1958, that is, when I saw writing in Malay on exhibition at a university in the Soviet Union."

Also attending the meeting were two other Soviet scholars of the Malay language, who are now studying Malaysian literature in greater depth at the University of Malaya. They are Tatiana Dosefeyers and Zhenya Yurgenia.

At the rather short meeting Professor Sikovsky suggested that more works in Malay should be translated into foreign languages, and particularly Russian, so that these works may become more widely known and the Malay language may develop more quickly.

He said that he considers that the work of Malaysian writers such as Usman Awang, A. Samad Said, Shahnon Ahmad, and Kris Mas is important and should be distributed more widely.

He said: "Apparently, these writers are still popular, although they began their efforts to develop Malaysian literature a very long time ago."

Now Professor Sikovsky is preparing a translation of the novel "Krisis" ["Crisis"], by Alias Ali, a writer from Terengganu.

Professor Sikovsky said with conviction: "This work will certainly attract the interest of readers in the Soviet Union, because it is so alive and provides a picture of part of the beautiful and calm Malaysian atmosphere."

05170

Malaysia, Indonesia To Cooperate in Defense Equipment

42130089b Kuala Lumpur *UTUSAN MALAYSIA* in Malay 5 Feb 88 p 3

[Text] Kuala Lumpur, 4 February—A study of the possibility of establishing a joint venture by the ATM [Angkatan Tentera Malaysia —Malaysian Armed Forces] and the Indonesian Armed Forces to produce defense equipment will be undertaken in the near future.

Lt Gen Datuk Yaacob Zain, commander of the Malaysian Army, said that this study would be for the purpose of determining the way in which this company could function.

According to present plans, the joint company would at least produce replacement equipment which would be used in the armies of the two countries.

He made this statement to reporters after attending a ceremony at which the Star of the Indonesian Armed Forces was awarded to Brig Gen Noordin Yusof, commander of 7 Brigade. The ceremony was held at the Indonesian Embassy in Kuala Lumpur on 4 February.

Lt Gen Yaacob Zain said that this project was one of a number of steps being taken toward further improving cooperation and closer relations between the Malaysian and Indonesian Armed Forces. He said that "efforts are continuing to improve cooperative relations between the Malaysian and Indonesian Armed Forces. In any case all of this depends on available personnel and financial resources."

Lt Gen Datuk Yaacob announced that the cooperation between the Malaysian and Indonesian Armies which has gone on up to the present has been satisfactory and has succeeded in strengthening them. Cooperation between the two armies has included operations against

terrorists, patrol activity, training, the exchange of personnel, guarding borders, and so forth. Regarding the exchange of personnel, he said that the Malaysian Army has sent 30 of its members of all ranks to Indonesia to be trained in military schools and training centers in that country.

05170

Commission Seeks To Expand Economic, Technical Cooperation With Thailand
42130089c Kuala Lumpur UTUSAN MALAYSIA in Malay 5 Feb 88 p 15

[Text] Kuala Lumpur, 4 February—On 4 February Malaysia and Thailand undertook to expand further their efforts to increase cooperation between the two countries in the economic and technical fields.

This undertaking was contained in the closing remarks made at the joint plenary meeting between Datuk Abu Hassan Omar and Siddhi Savetsila, the two foreign ministers, at the conclusion of the first session of the Malaysian-Thai Joint Commission, which ended on 4 February.

In the course of the meeting the two countries reached agreement on 13 separate questions which were discussed at the 2-day meeting. They agreed to make a preliminary study of all aspects of the relations of the two countries, with the exception of matters involving the Joint Border Commission.

The Malaysian-Thai Joint Commission, which was established on 29 June 1987, will have another meeting in January or February. The session this time reached the following agreements:

—The question of the 50 percent tax on personal effects brought back to Malaysia and the import duty on baby's diapers needs to be studied in greater detail in accordance with ASEAN trade cooperation and in the context of strengthening tourism as a whole.

—Malaysia agreed to extend the period for the use of plastic packaging for several types of seafood from 1 January to 1 April 1988, and the two countries agreed to discuss the technical aspects of this matter.

—The Thai Government will consider Malaysia's interest in exporting palm oil to Thailand.

—The establishment of a joint commission to supervise the movement of motor transport and other forms of transportation operating between the two countries. The two countries agreed on the need to establish a joint transportation system, as decided at the Manila Summit Meeting.

—Malaysia agreed to give further consideration to transit facilities when people bring back goods through its territory.

—The two countries agreed to increase cooperation in developing the banks of the Sungai Golok [Golok River].

—The right of free passage at the mouth of the Sungai Golok has been agreed to by the two countries.

—The two countries agreed to increase cooperation in the field of tourism through the establishment of joint institutions and basically agreed to establish air communications between Phu Ket [island in southern Thailand] and Langkawi [island off northwest coast of Malaysia].

—The two countries displayed an interest in business cooperation in the production of spare parts by the private sector.

—The two countries stated their positions in connection with the question of catching fish and shrimp in the Exclusive Economic Zone (EEZ).

—The two countries were satisfied with the present level of cooperation in wiping out drug abuse activity.

05170

Foreign Ministry Gets New Secretary General
42130089a Kuala Lumpur UTUSAN MALAYSIA in Malay 5 Feb 88 p 3

[Text] Kuala Lumpur 4 February—Datuk Mohamed Yusof Hitam, Malaysian permanent representative to the United Nations, has been installed in office as secretary general of the Ministry of Foreign Affairs.

He replaces Tan Sri Zainal Abidin Sulon, who goes on leave as of 4 February, prior to retiring on 3 March.

According to a Ministry of Foreign Affairs statement of 4 February, Datuk Razali Ismail, deputy secretary general of the ministry, will temporarily serve as secretary general until the return of Datuk Mohamed Yusof from New York.

Datuk Mohamed Yusof entered the foreign service in 1967 as the first Malaysian ambassador to the Socialist Republic of Vietnam.

His appointment in 1967 reflected Malaysia's desire of to strengthen ties of friendship and good relations with the Socialist Republic of Vietnam, in the direction of improving relations with all countries in this region.

Datuk Mohamed Yusof, a graduate of the University of Malaya, has also served as a Malaysian representative in Medan (1968-1970), Manila (1970-1972), and Jakarta (1972-1974). He was appointed permanent representative to the United Nations in 1986.

Tan Sri Zainal Abidin is also a graduate of the University of Malaya. He entered the foreign service in 1957 and has served in embassies abroad and in the Ministry of Foreign Affairs.

From 1969 to 1972 he was deputy secretary general of the Ministry of Foreign Affairs for political affairs. He also served as Malaysian ambassador to Indonesia from 1972 to 1976. Prior to that he served as ambassador to the Soviet Union.

Tan Sri Zainal Abidin was appointed secretary general of the Ministry of Foreign Affairs in 1984.

In recognition of his services in the formation of Malaysia he was made a commander in the Order of Kinabalu and a commander in the Order of the Star of Sarawak, each of which gives him the right to use the title of Datuk.

05170

MCA Club in London Dissolved

42130092 Kuala Lumpur *UTUSAN MALAYSIA* in Malay 6 Feb 88 p 11

[By Razak Rashid Ghows]

[Text] London, 5 February—Two years after it was organized, the MCA [Malaysian Chinese Association] of London was dissolved because its executive committee members could not reach agreement.

The club also reportedly received no attention from its MCA home office, causing its more than 120 members to feel "alienated." With this dissolution, Malaysian students and people of Chinese descent who earlier were members of the MCA Club are now conferring about reorganizing the MCA or forming a Malaysian Chinese Society here.

The dissolution of the London MCA Club was made legal by Mr Douglas Tay, its former president, today.

Datuk Chan Siang Sun, the central MCA vice president, who was contacted by UTUSAN at Heathrow Airport just before he left for the homeland, said he knew nothing about the dissolution.

Datuk Chan said he could not comment because no meeting had been held with members of this club while he was in London. Datuk Chan was in London to attend an international meeting of AIDS.

Mr Tay informed UTUSAN that the London MCA Club was dissolved in an extraordinary convention held last November.

He gave as the reason for the dissolution the failure of the executive committee to hold meetings this past year because it could not gather a quorum.

He said there were five persons on the executive committee, and the person elected as secretary had not attended any meeting. At the same time, the treasurer had left London.

According to the former president of the MCA Club, there is ongoing heavy debate among students who either want to maintain the club or form another organization that is not affiliated with a political party. Concerning the cold shoulder given the club by the MCA home office, Mr Tay said he understood the home office might have been busy with its own affairs. "However, some members were unhappy with this not only from the standpoint of financial aid but also from the standpoint of moral support such as is offered by the UMNO [United Malays National Organization] leaders."

"They were hurt when members of the MCA leadership came to London but were reluctant to meet with members of the MCA Club Executive Committee here as UMNO ministers frequently do," Mr Tay said.

He explained that club members also did not feel they were important or special, but they wanted to be recognized because the MCA Club was formed at the recommendation of the MCA home office itself.

Mr Tay did not deny that some members made extreme requests, such as frequent requests for financial allowances, but, according to Mr Tay, they did not represent the executive committee's views.

Concerning the proposal that a Malaysian Chinese Society replace the MCA Club, he said he would not be against it as long as it could be used as a platform for unifying the Malaysian people of Chinese descent here.

06804/06662

China Expresses Interest in Steel Industry Investment

42130078a Kuala Lumpur *BERITA HARIAN* in Malay 21 Jan 88 p 6

[By Normala Mohamad Radzi]

[Text] Shah Alam, 20 January—China is interested in investing M\$1.0 billion (\$400 million) in the steel industry for sales abroad as well as in the State of Selangor. This was stated by Datuk Muhammad Haji Mohamed Taib, chief minister of Selangor.

He said that a group of Chinese investors had met with him and expressed their desire to invest in this country, at a meeting in his office in Shah Alam on 20 January.

This is the first group of Chinese investors interested in investing in this country. Another group is expected to come to Malaysia in the near future.

The chief minister said: "Discussions regarding this investment are going on between the group of Chinese investors and several officials of the state government. It is expected that a decision on these discussions will be known on 21 January." The chief minister made this statement to reporters on 19 January after officially opening the Sunchirin Industry (M) Ltd factory in the Hicom industrial area in Shah Alam.

The chief minister said that he will approve the investment request at once if the Chinese investors agree to invest in Malaysia.

Be Disciplined

He also gave assurances that all aspects of approving the request will be processed immediately and will be approved in 2 weeks or less.

He said: "I am instructing officials of the state government to process all investment requests quickly, and to complete processing within 2 weeks, at the latest. I am also ordering that special service be provided to all local or foreign investors who want to invest in this state because I am convinced that the problems of economic under development and unemployment can only be resolved by means of investment."

The State of Selangor is planning to attract at least M\$1.0 billion in investments in this state between now and 1990.

Previously in his remarks the chief minister asked local workers to show high quality work and to be disciplined and honest, so that foreign investors will be convinced of the utility of investing in Selangor.

According to him, several factors which may attract investors include skilled labor, industriousness, and discipline among local workers.

He said: "The government's efforts to attract investors, increase economic growth, and reduce the unemployment rate in this state will be hampered if local workers are lazy, undisciplined, and dishonest in their work, scaring off foreign investors."

05170

NEB, Indian Firm Sign Hydroelectric Contract 42130078b Kuala Lumpur BERITA HARIAN in Malay 21 Jan 88 p 7

[Text] Kuala Lumpur, 20 January—The National Electricity Board (Lembaga Letrik Negara—LLN) on 20 January signed a contract worth M\$41 million with Bharat Heavy Electricals Ltd. (BHEL), the largest electrical equipment manufacturer in India, for the construction of a generator at the hydroelectric project at Sungai Piah [Piah River], in the State of Perak.

This is the first hydroelectric generator construction project to be undertaken by BHEL in Malaysia.

Datuk Mohamad Jalaluddin Zainuddin, the managing director of the LLN, said that under the contract BHEL will supply, assemble, and manufacture four turbines for the Sungai Piah hydroelectric project, which will have a generating capacity of 70 megawatts.

Payment

After the signature of the contract agreement with BHEL in Kuala Lumpur on 20 January he said that General Electric Co. (M) Ltd and Viking Engineering Ltd., two local companies, will have a 30 percent interest in the project, particularly in supplying electrical and mechanical equipment.

At the meeting for the signature of the contract LLN was represented by Datuk Mohamad Jalaluddin, while BHEL was represented by K. N. Khanna, its chairman of the board. P. M. S. Malik, Indian high commissioner, was an observer.

It was stated that local companies will provide skilled and unskilled labor, while BHEL will provide hydroelectric experts.

The preparatory work under the project has been underway since April 1987, and it is expected to be completed by the middle of 1992.

Datuk Mohamad Jalaluddin said that the hydroelectric project on the Sungai Piah would be capable of providing 380 million energy units per year or 3 percent of the energy requirements of western Malaysia.

He said that M\$31 million of the cost of the project will be financed by the Import Export Bank (Exim) of India, with repayment to be made over a period of 13 years at 8.5 percent interest. Repayment of the loan will be in Indian rupees.

The remaining cost of the project, amounting to M\$10 million, will be financed by the LLN itself, he said.

Datuk Mohamad Jalaluddin said that two other contracts worth M\$20 million involving the supply of a transformer, electrical transmission lines, and switching gear are being studied by the LLN for offer to BHEL.

Datuk Mohamad Jalaluddin said that, with the construction of the Sungai Piah hydroelectric project, there will be 12 hydroelectric generating stations throughout the country.

He said that a hydroelectric project does not merely involve supplying cheap power over the long term but may become a center for tourism and recreation.

He said that, among the hydroelectric projects which have become centers for tourism are the Sultan Mahmud Kenyir Dam in the State of Terengganu and the Temengor and Sungai Piah projects in the State of Perak.

05170

Malaysian Trade Surplus Increased

42000290b Kuala Lumpur NEW STRAITS TIMES in English 27 Feb 88 p 15

[Text] Peninsular Malaysia chalked up an impressive performance by doubling its trade surplus last year to \$5,931 million compared with \$2,791.4 million in 1986, the Statistics Department said yesterday.

The department attributed the better showing to buoyant exports which rose 26.6 percent to \$36,529.6 million although imports also grew by 17.4 percent to \$30,598.6 million.

Major exports in 1987 comprised machinery and transport equipment valued at \$12,185.2 million or 33.4 percent of total exports; followed by crude material, inedible (\$5,386.9 million, 14.7 percent); mineral fuels and lubricants (\$4,411.7 million, 12.1 percent); animal and vegetable oils and fats (\$4,021.3 million, 11 percent) and manufactured goods (\$3,862.7 million, 10.6 percent).

Higher exports of thermionic valves and tubes, photo-cells, telecommunication and sound recording and reproducing apparatus and equipment, crude petroleum, rubber, tin and palm oil also contributed to the improved scenario.

The department said that crude petroleum export earnings increased 25 percent to \$3,527.7 million last year due to higher average export unit.

Exports of palm oil, though down by 7.5 percent, registered an increase in earnings to \$3,133.6 million owing to the pick-up in export prices from \$703.3 per tonne in 1986 to \$807.9 in 1987, it added.

In 1987, Peninsular Malaysia's major trading partners were the Asean countries, Japan, the United States, and the European Community.

The trade surplus of \$2,396.3 million recorded in its trade with Asean was more than twice that of the previous year.

Exports to Singapore at \$6,832.9 made up 75.7 percent of increase in exports to Asean countries.

Trade surpluses also improved in Peninsular Malaysia trade with the US (\$1,601.8 million), EC (683.8 million), Hong Kong (\$293 million) and India (\$226.7 million.)

/9274

Confidence in Malaysian Economy Remains High

42000290a Kuala Lumpur NEW STRAITS TIMES in English 23 Feb 88 p 15

[Article by Azmi M. Anshar: "Investors Still Confident: MIER"]

[Text] Confidence in the Malaysian economy remains high despite the problems facing Umno, the executive director of the independent Malaysian Institute of Economic Research (MIER), Datuk Dr Kamal Salih, said.

The investment climate has not been affected, he added.

Although Umno's problems have yet to be completely settled, he said it is unlikely that the outcome would cause jitters in the business community.

He is a good indicator that business going on as usual is the steady rise on the stock market.

"Political events tend to psychologically influence the market, but apparently this has not been the case," he told reporters after accepting on behalf of the institute a donation of \$50,000 from Sports Toto during a ceremony at the Merlin Hotel in Kuala Lumpur yesterday.

Dr Kamal said many foreign businessmen and officials from embassies have been making enquiries with MIER on business opportunities in the country.

This shows that confidence has not been shaken despite some negative reports on the economy.

Labour-Oriented

On MIER's current research programmes, Dr Kamal said they are centred on unemployment and tax reforms.

Based on statistics acquired by MIER, he said unemployment now stands at slightly more than 10 percent and it is a problem that needs immediate attention.

Although the economy has been picking up, new jobs have not been created while many companies are still retrenching staff.

However, the situation for 1987 was better than 1986 and this in itself indicates that things will improve.

Dr Kamal said although there have been calls by the Government to set up small- and medium-scale industries, the response has been sluggish.

He said such industries tend to be labour-oriented and if the proper mechanism is applied, they will pave the way for more jobs to be created.

On tax reforms, Dr Kamal said MIER is looking into the best way of deducing corporate and sales tax.

MIER will make a comprehensive study and it expects to publish its findings by June.

/9274

Mahathir Declares Position of PM, Cabinet Not Affected by High Court Ruling
42130091b Kuala Lumpur UTUSAN MALAYSIA in Malay 5 Feb 88 p 1

[By Rosli Ismail, Razif Ahmad, and Rozaid Abdul Rahman]

[Text] Kuala Lumpur, 4 February—During the evening of 4 February Dr Mahathir Mohamad declared that his position as prime minister was not affected by the High Court ruling that UMNO [United Malay National Organization] was an illegal organization.

He declared that the government was not affected by what is facing UMNO. Doctor Mahathir, who was surrounded by tens of Malaysian and foreign reporters after he attended a meeting at the Hotel Shangri-La, said: "The prime minister is still the prime minister."

Asked whether he would call an urgent meeting of the Supreme Council of UMNO to discuss the question facing it, the prime minister declared: "Such a meeting cannot be held because UMNO cannot function."

Doctor Mahathir, who was flooded with repeated questions from the reporters, said that he could not comment any further because he did not yet know the full details of the decision on this case.

The prime minister, who appeared calm, left the Hotel Shangri-La at 2350 on 4 February after attending the EON Appreciation Night.

Meanwhile, during the evening of 4 February several lawyers stated that the decision of the High Court declaring that UMNO was illegal as a party in no way affected the position of the cabinet, which is presently headed by Dr Mahathir Mohamad.

A lawyer who was asked to comment on the decision said that the government was formed in accordance with the constitution which, among other things, declares that the leader and his group formed under whatever name, may be called on by the supreme ruler to organize a government, if it obtains a majority in the elections.

He said that, as a result, if a party which represents the majority group is really outlawed or prohibited, it can still constitute the government in the name of the majority group, unless the members of Parliament pass a no confidence motion in the government.

He stated that, from a technical point of view, UMNO still exists as a party because it was formed as a legal organization. It was merely labeled illegal because several of its branches had not been registered prior to the holding of a meeting of the supreme party congress. Another lawyer also said that the declaration that UMNO is a prohibited organization does not mean that members of Parliament elected during the general elections are also affected, because the party does not necessarily form a government.

He said that a group holding a given view forms a government. The group does not rely on its ideology to be elected to Parliament. The question of which ticket they will run on has not come up directly in the case in which UMNO has been declared illegal.

This lawyer said: "From the technical point of view the government now in office is represented by a party which won majority support in the elections but was later ruled to be illegal by the court for a number of technical reasons. However, from another point of view, at present they still represent the majority group with the support of a majority of the people represented by members who are now free of any party." Regarding the need for reregistration, these lawyers agree that the present problem involves the process for the reformation of branches, sections, and the supreme party congress.

According to the process laid down, in order to reestablish the party, it will be necessary to hold a meeting of acting party secretaries at which they join together and then present the names of the legal members to the registrar of societies.

After that, the group of acting secretaries must also hold a supreme party congress meeting to form branches and sections and then order the holding of elections in the youth and women's movement of UMNO.

According to another lawyer, perhaps UMNO would not have to reregister all of its branches. It might be enough to register the branches which were not previously listed. However, this matter must be studied and examined by UMNO lawyers.

05170

Musa Stresses UMNO Unity
42000298a Kuala Lumpur NEW STRAITS TIMES in English 20 Feb 88 p 2

[Text] Johore Baru, Sun.—Datuk Musa Hitam says he has set aside personal feelings for the sake of UMNO unity because current developments and turmoil have threatened the party.

"Many UMNO members are wondering about my present position in view of the fact I was critical of the present leadership," he said.

"I have set aside my personal feelings for the sake of party unity and I feel UMNO needs to close ranks in view of the recent development in the party.

"UMNO is a democratic party and members can offer themselves for party posts. People tend to forget that I was defending my post in the party at the last general assembly."

Victory Needed

Datuk Musa, who sought re-election for the deputy president's post against Deputy Prime Minister Ghafar Baba, made this statement when opening a Silat Warisan exhibition at the community hall in Kampung Melayu last night.

Among those present were the Barisan National candidate for the Tanjung Puteri by-election, Datuk Haji Mohamad Yunos Sulaiman, BN director of operations for the by-election, Datuk Shahrir Samad, and chairman of the State youth and sports committee, Haji Ali Hassan.

Datuk Musa appealed to UMNO members in Johore to ensure victory for Datuk Haji Mohamad Yunos as this would prove that the party was still a force to be reckoned with in Johore where UMNO was born.

"The by-election is important to the party to show that UMNO in Johore is still strong," he added.

Datuk Musa advised voters in Tanjung Puteri not to be sentimental when they go to the polls on March 5.

He hoped the people would continue to support UMNO and the Barisan National.

He said it was true that there are weakness and problems in the country that need attention but these could not be resolved overnight.

07310

Ghafar Baba's Message to UMNO Members:
Keep Calm
42130091c Kuala Lumpur UTUSAN MALAYSIA in
Malay 5 Feb 88 p 1

[By Mohamed Sidek Salleh and Mohamed Nor Samad]

[Text] Kuala Lumpur, 4 February—On 4 February Ghafar Baba urged all members of UMNO [United Malay National Organization] to keep calm, following the decision of the High Court, which ruled that the last supreme party congress meeting was illegal.

The deputy president of UMNO said: "It is up to the meeting of the Supreme Council of UMNO on 6 February to take the next step—whether to appeal to the Supreme Court or hold new elections and so forth."

Ghafar is convinced that the decision of the court is not an obstacle to UMNO unity, assuming that party members continue to be honest and sincere in supporting the party.

He made this statement when he met with reporters at his home after attending a meeting of the UMNO section for Western Malaysia.

He also said that up to now he does not yet know what the views of the prime minister are. However, it is up to him to call an emergency meeting or not. He believes that the Malay community regrets the decision of the court, because up to the present it has depended on UMNO.

Abdullah Haji Ahmad Badawi, the deputy president of UMNO, whom we met after the same meeting, said that it is "highly regrettable, unpleasant, and unexpected" that a party which has been in existence for so long a time should suddenly be regarded as an illegal body. He said: "During my long period of membership in UMNO and after knowing UMNO for so long a time I did not expect that the time would come when UMNO could be regarded as an illegal party."

He urged UMNO members to keep calm in dealing with this situation.

He said: "The top leadership of the party will have to consider what steps should be taken, following the decision of the court, which regards UMNO as illegal." Abdullah announced that he will attend the meeting of the Supreme Council of UMNO on 13 February. He later asked the parties that make up the National Front [Barisan Nasional—BN] to avoid taking any particular view of the problem faced by UMNO.

Two Choices Open To UMNO

UMNO has two choices in resolving the problem which it now faces, following the finding by the High Court that the party is now illegal in the view of the law.

The first choice involves reregistering all of the UMNO branches.

The second choice involves registering 30 branches which have not yet been registered. This situation was used by the group of 11 UMNO members as a basis for suing UMNO.

According to several lawyers, the registrar of societies may provide his advice to UMNO in connection with the question which it faces.

They think that if the registrar of societies can and is prepared to register the 30 branches which caused the problem, then the difficulty which UMNO faces will be resolved. In any case, UTUSAN MALAYSIA considers

that the registrar of societies could send an advisory letter to UMNO, asking the party to state why its registration should not be canceled.

If this is done, UMNO will have no other choice than to answer this request. And should the registrar of societies receive a reply from UMNO, the problem which it faces will be resolved.

If UMNO does not reply, its registration may be canceled. Party sources also said that UMNO may not appeal to the Supreme Court because Section 12(3) of the Societies Act clearly states: "An organization which establishes branches without obtaining prior permission from the registrar of societies shall be regarded as a prohibited organization. The same is true with branches which have been established and which shall also be considered prohibited."

05170

High Court Rejects UMNO 11 Suit
*42130091a Kuala Lumpur UTUSAN MALAYSIA in
Malay 5 Feb 88 p 1*

[By Faridah Hashim]

[Text] Kuala Lumpur, 4 February—On 4 February the High Court in Kuala Lumpur rejected the motion of 11 members of UMNO [United Malay National Organization] to obtain a court order for elections for the top leadership of the party to be held again.

When he rejected the motion, Judge Harun Hashim ruled that UMNO was an illegal organization and that the Supreme Party Congress [Perhimpunan Agung] and elections held on 24 April 1987 were also illegal.

Judge Hashim said that he could not approve the motion presented by the UMNO group of 11 asking for an order to correct the present situation, because at the time concerned UMNO was an illegal organization under the Societies Act.

He said that the act regarded an organization as illegal if its branches were established without previous permission from the registrar of societies. He said: "I very much regret that I am forced to hand down the decision that at the time UMNO was an illegal organization and what took place in 1987 was also illegal." The justice added: "For that reason the motion presented by the 11 UMNO members to correct the present situation cannot be approved."

The decision was made by Justice Hashim at 6:20 pm on 4 February, based on the regulations issued under the Societies Act of 1966.

Section 12(3) of the act states that an organization which establishes branches without obtaining prior permission from the registrar of societies shall be regarded as a prohibited organization. The same is the case with branches which have been established and which are also considered prohibited.

The UMNO 11 group asked the High Court to rule that the Supreme Party Congress of UMNO held in April 1987 was illegal. They then asked for an order instructing Sanusi Junid, the secretary general of UMNO, and six other defendants to hold new elections at the party section level and a new supreme party congress.

The group charged that the assembly was illegal because it included 45 representatives of UMNO sections in the State of Kelantan and in Pahang Darulmakmur. These sections have 30 branches which have not been approved.

In his ruling Judge Harun said that Section 12(3) of the Societies Act not only clearly provides that branches which have not been approved are illegal but also that the central body of the organization is illegal.

According to the judge, the act was passed because Parliament wanted to make sure that it was strictly observed by any organization registered under the law.

He declared: "UMNO established branches without previously obtaining permission from the registrar of societies. I find that, as a result, UMNO itself is an illegal organization."

He added: "A Malay saying states that this is what turns a drop of water blue and breaks a milk pitcher" [This was the straw that broke the camel's back].

Regarding the request of the group of 11 for an order asking the secretary general of UMNO and UMNO Malaysia to repeat the previous election, Judge Harun said that he did not think that he could hand down such an order because at present UMNO is an illegal organization.

He declared: "According to the law, if something is considered prohibited, it continues to be prohibited."

The judge said that, of course, he could not hand down a number of orders because this was a difficult decision to make. He added that the laws are enacted by our Parliament and, of course, UMNO was well aware that it would be affected under the Societies Act of 1966.

The judge then proposed that special legislation be prepared for the political parties, such as the laws which are specifically prepared for labor organizations. He added: "I think that we need a special law, and it is possible that the time for it has come. Internal party questions can certainly be resolved."

Judge Harun also proposed that political party membership should be determined by confirming registered voters as party members. In this way, according to him, the question of underaged members which arose in the UMNO branches of Seri Damai, in a portion of Pekan, and in Pahang Darulmakmur, would not come up.

Judge Harun made his decision after 6 days of argument by lawyers representing the group of 11 UMNO members and UMNO Malaysia itself.

While these proceedings were going on, the courtroom was always filled with members of the public who wanted to know the outcome of the case, as well as with reporters from Malaysia and from foreign countries who took up the remaining space.

The UMNO Group of 11 consists of: Mohamed Noor Othman, chairman of the UMNO branch of Bukit Tambun (Nibung Tebal); Mohamed Yusof Othman, a member of the UMNO branch of Kampung Baharu Simpang Empat (Nibung Tebal); Muda Yaakub, chairman of the UMNO branch of Bukit Yong "A" (Pasir Putih); Abdul Rahman Yaakub, chairman of the UMNO branch of Batu Hitam (Pasir Putih); Mohamed Yusof Yunus, chairman of the UMNO branch of Gong Kedakdi (Pasir Putih); Abdul Rahman Hassan, chairman of the UMNO branch of Pangkal Meleret (Macang); Daud Che Soh, chairman of the UMNO branch of Kampung Pek (Macang); Mohamed Noor Senak, a member of the Executive Council of the UMNO branch of Pangkalan Macang (Rantau Panjang); Mokhtar Ahmad Mokhtar Haji Mohamad, deputy permanent chairman of the UMNO branch of Pekan Lama (Pekan); Kamaruddin Haji Awang Teh, chairman of UMNO Youth in the Beruas branch (Perak); and Abdul Rahim Abdul Rahman, a member of the UMNO branch of Tanjung Agas (Teluk Kemang).

They were represented by Raja Aziz Addruse, Muhamad Shafee Abdullah, and Christina Kow, their attorneys. Attending the proceedings in a support capacity was Hajah Marina Yusoff, a member of the Supreme Council of UMNO.

The group of 11 named the following defendants: Haji Mohamed Ismail Haji Ibrahim, secretary of UMNO in the Jelutong branch (Penang Island); Nordin Haji Mohamed Nor, secretary of the UMNO branch of Nibung Tebal; Haji Wan Omar Wan Majid and Zulkifli Yusof, secretaries of the UMNO branch of Pasir Putih (Kelantan); Sidik Haji Hamat, secretary of the UMNO branch of Macang (Kelantan); Mamat Jusoh, secretary of the UMNO branch of Rantau Panjang (Kelantan); Dr Abdul Manaf Abdullah, secretary of the UMNO branch of Pekan (Pahang Darulmakmur); and Sanusi Junid, secretary general of UMNO Malaysia (representing UMNO as distinguished from the plaintiffs).

They were also represented by G. Sri Ram, Zaki Tun Azmi, H. S. Lim, Gandhi K. Singam, W. W. Cheong, and Juliana Solomon, their attorneys.

After the court session was adjourned, several lawyers whom we met expressed the view that UMNO needed to begin from the beginning, because the court had decided that it was a prohibited organization and was illegal.

They also stated that it was up to the present membership to determine the future of the party.

05170

Reportage on Superior Court Finding of UMNO Illegality

Chronology of UMNO's Demise

42130090 Kuala Lumpur BERITA HARIAN in Malay
6 Feb 88 p 3

[Text] 26 June 1987—Twelve UMNO [United Malays National Organization] members brought a suit to the Superior Court requesting that the 39th UMNO Congress of 24 April be declared illegal and in violation of the party's constitution.

27 June 1987—UMNO leaders at various levels of the organization criticized the 12 party members because they brought suit.

5 July 1987—Datuk Kadir Sheikh Fadzir, a member of the UMNO Supreme Council, supported Datuk Musa Hitam's proposal that the 12 UMNO members withdraw their request that the court order the 24 April Congress to be nullified.

8 July 1987—The Superior Court granted the 12 UMNO members the right to examine documents and other data on the registration and the position of the party branches in seven districts, which they alleged violated the party constitution.

15 July 1987—The Superior Court ruled that Datuk Seri Sanusi Junid, the UMNO secretary general, submit all documents pertinent to the suit by 24 July.

25 July 1987—Datuk Seri Sanusi Junid, UMNO secretary general, presented to the Superior Court the documents pertinent to the suit of the 12 party members against him and eight other UMNO leaders.

20 August 1987—Haji Hussein Aziz Sharif, chairman of the UMNO Jalan Branch, asked the Superior Court to declare the congress of 24 April illegal.

3 September 1987—The Superior Court ruled that the UMNO submit within 12 days the documents required by the 12 UMNO members who were suing the party.

15 September 1987—Datuk Seri Sanusi Junid, UMNO secretary general, and four other leaders being sued by the 12 UMNO members submitted the minutes of the UMNO Youth and Women's Movements district-level meetings to the Superior Court.

27 September 1987—The UMNO Supreme Council formed a 5-member special committee to seek a way to settle the suit of the 12 UMNO members who requested the court to decree the 24 April congress nullified and illegal.

28 September 1987—Six of the 12 UMNO members who disputed the legality of the 24 April UMNO Congress welcomed the formation of the special committee to settle the case out of court.

30 September 1987—Prime Minister Datuk Seri Dr Mahathir Mohamad said the UMNO leadership offered to negotiate with the 12 members who took the matter to court.

1 October 1987—The Superior Court gave the special committee formed by the UMNO Supreme Council 2 weeks to settle the case out of court.

10 October 1987—Six of the 12 UMNO members said they would only withdraw the suit if Datuk Seri Dr Mahathir Mohamad, the UMNO president, announced that the congress and the UMNO district conventions were illegal and in violation of the constitution.

27 November 1987—The Superior Court decided to hear on 25 January 1988 the suit of the 11 members to obtain a court decree that the 24 April congress was illegal.

26 January 1988—The trial of the 11 UMNO members was postponed from 25 January to the following day to give the two sides an opportunity to agree on the facts in the case.

27 January 1988—The Superior Court was informed that the 11 UMNO members who sued the secretary general of the party and six district secretaries were not the real plaintiffs (the side presenting the suit) in the case.

28 January 1988—The Superior Court was informed that the 11 UMNO members who sued should have noted their dissatisfaction to the secretary general or the Supreme Council or to the party's congress prior to taking the matter to court.

3 February 1988—The Superior Court was informed that the 11 UMNO members who sued had the right under the UMNO constitution to take their demands to court.

4 February 1988—The situation in the Superior Court became confused when Judge Datuk Harun Hashim debated whether the UMNO structure now was valid.

UMNO Spirit 'Still Exists'

42130090 Kuala Lumpur *BERITA HARIAN* in Malay
6 Feb 88 p 2

[Text] Kuala Lumpur, Friday [5 Feb]—The spirit of the UMNO [United Malays National Organization] still exists although the party as an organization was declared illegal by the Superior Court here last night.

Prime Minister Datuk Seri Dr Mahathir Mohamad said, "Whether UMNO's name is erased or whether it is given a new name, I know and I am confident that the UMNO spirit still exists and will endure."

Speaking during a news conference held in his office here, Datuk Seri Dr Mahathir, who called himself "the former UMNO president," said, nevertheless, there were several ways in which the question of the UMNO's position could be settled.

"We shall look for the best way to settle this problem. However, in seeking a way to settle it, it is important that we stress looking for a way that is imbued with the spirit that caused or allowed the UMNO to be organized."

"We know what our aims are. We have not given up hope. We know where we want to go so the country and the people need not worry. This is only a technical problem which can be resolved," he said.

"However, we must really be aware now that there are individuals in the UMNO who wanted to destroy the party and that they perhaps now are happy about what happened to it because of what they have done," he said.

Barrel of Apples Destroyed

Asked about his initial reaction after receiving word of the Superior Court's decision that the UMNO was an illegal organization, Datuk Seri Dr Mahathir said, "I saw 11 individuals (UMNO members who requested the Superior Court to decree the UMNO Congress of 24 April illegal and null and void) take steps that ultimately destroyed the UMNO."

The prime minister also was confident that the honor of the UMNO was upheld. "In a party that has 1.4 million members, 8,000 branches and 140 districts, we cannot guarantee that there will not be two or three rotten apples among them that can destroy the whole barrel."

"However, this teaches political parties a lesson because sometimes individuals with ulterior motives will join a party. These black sheep, because they are disappointed that they have not gotten something, will try to destroy something that is needed."

"We see now what has happened because of their aspirations. When they could not achieve those aspirations, they preferred to destroy the organization.

"We made various attempts to resolve the problem, including forming a special committee to settle this matter, but they still took this problem to court," he said.

Datuk Seri Mahathir also said he was aware that those party members were puzzled now by what happened, but efforts will be made to explain it to them so that they do not keep on being puzzled.

However, these efforts will not be made in the name of the UMNO because that organization no longer exists, he said.

Government 'Not Affected'

42130090 Kuala Lumpur BERITA HARIAN in Malay
6 Feb 88 p 2

[By Ahmat Wahab]

[Text] Kuala Lumpur, Friday [5 Feb]—Datuk Seri Dr Mahathir Mohamad said the Kuala Lumpur Superior Court's finding that the UMNO [United Malays National Organization] was an illegal organization did not impair the federal and the state governments.

"The government still exists today except that the UMNO does not exist," said the prime minister while advising the people and the supporters of that party to remain calm.

"This (the UMNO's position) will be settled, but what is important now is that the government still exists," he said at a news conference held in his office in the Prime Minister's Office Complex here today.

Last night the Superior Court denied the request of the 11 UMNO members to have the court declare the party's congress of 24 April last year illegal but found the UMNO at that time to be an illegal organization.

In reply to a question from a reporter, Datuk Seri Dr Mahathir, who appeared calm, often smiling and cracking jokes, explained that the government still existed because it was formed on the principle that its members ran as individuals in the last general election although they used party symbols.

"Under the national Constitution, a person who obtains the support and the confidence of the majority of members of Parliament can be put forward as a candidate and can be accepted as the prime minister.

"The prime minister and the government can be brought down if there is a vote of no confidence or if they do not obtain the support of members of Parliament. However, we know this is not the case at the present time," he said.

Therefore Datuk Seri Dr Mahathir said, the positions of the prime minister and the ministers have not been affected, and they function as usual. "This means that the government now is operating as usual and (the decision of the Superior Court) has had no effect whatsoever on the government."

Responding to a question, the prime minister said he did not see that there would be any political tension because the "UMNO no longer exists" since "the government which obtained the support of the majority of the members of Parliament still exist, as do the state governments."

"Also, there is no crisis. What we are facing now is merely a technical problem that can be settled," he explained.

He also requested foreign newsmen not to raise again the question of political stability by linking it to the Superior Court's decision.

"The government knows that many individuals want to destroy the economy of this nation by writing about various things. This also happened in November of last year (following the political crisis). But this merely confuses things," he explained.

Asked about the implications of the decision of the Superior Court, Datuk Seri Dr Mahathir said all branch meetings held in preparation for the coming party congress are illegal, because the branches and the districts no longer exist. Also, no dues may be collected.

However, he did not know what would become of UMNO property. "Perhaps the bank will take it because I no longer have any responsibility or authority in the party," he said laughing.

According to the prime minister, the decisions made by the party's president and those of its Supreme Council are also illegal. "However, decisions made by me as the prime minister and those of the ministers are legal," he explained.

He noted that the position of the Barisan Nasional (BN) [National Front] also was not impaired. According to the prime minister, the BN is not a political party. It is merely an association of various political parties, and it still exists. "Earlier some parties withdrew from the BN, but the BN was not impaired and it continued to exist," he explained.

06804/06662

Foreign Minister Welcomes USSR Ratification of South Pacific Treaty
42000292c Auckland THE NEW ZEALAND HERALD in English 6 Feb 88 p 9

[Excerpts] The Soviet Union has dropped a condition covering its ratification of the South Pacific nuclear-free treaty which previously left it "free of commitments" if faced with the presence of a nuclear-armed ship in the region.

Having signed the protocols to the treaty in December 1986, the Presidium of the Supreme Soviet last week ratified them to make the nuclear free zone "more viable."

The Minister of Foreign Affairs, Mr Marshall, warmly welcomed the Soviet move to ratify the treaty protocols. However, further comment would await formal filing of the terms of ratification with the South Pacific Bureau for Economic Cooperation in Suva.

08309

Defense Minister Cites Singapore, Malaysia Acceptance of Wellington Withdrawal
42000292d Auckland THE NEW ZEALAND HERALD in English 6 Feb 88 p 5

[Text] Singapore and Malaysia are "quite relaxed" about New Zealand's coming military withdrawal from the area, according to the Minister of Defence, Mr Tizard.

The minister and top defence officials returned yesterday after a fortnight in the region.

Mr Tizard said tensions there were easing.

The nations were cooperating with one another. "There is a definite willingness among them to be conciliatory."

New Zealand intends withdrawing its battalion by the end of next year, although a staff of about a dozen will remain in Singapore to oversee training exchanges and exercises.

Meanwhile, the Army's ready reaction force is now more ready to go overseas if called on, according to the commander of the 1300-man force.

The soldiers have spent the past fortnight on exercise in the Hokitika district.

Colonel Bob Upton, of 3 Task Force, said the exercise had given the reaction force its first opportunity to exercise as an entity.

He was confident it could now be deployed anywhere in the Government's declared areas of operation—the South Pacific—in a short time.

08309

Wingti Grants Deputy PM More Powers

Somare Questions Wingti's Action

42000285a Port Moresby PNG POST-COURIER in English 18 Feb 88 p 3

[Article by Frank Senge]

[Text] Opposition Leader Mr Somare claimed yesterday that Prime Minister Mr Wingti had usurped the powers of the three branches of government—Cabinet, Parliament and the judiciary.

The powers of the three arms of government had been taken away without consultations and placed in the hands of Deputy Prime Minister, Sir Julius Chan.

Mr Somare's comments follow the recent distribution of Cabinet powers by Mr Wingti.

Under new procedures Cabinet powers have been distributed between two other committees.

A National Planning Committee headed by Sir Julius Chan has been given powers to take some decisions and also advise the Governor General on some matters—powers previously held by the Prime Minister as chairman of Cabinet.

Mr Somare claimed yesterday that some of the powers handed out were the responsibility of the Speaker as head of Parliament.

Mr Somare said Mr Wingti was distributing powers that the constitution vested in only himself, as the chairman of Cabinet.

He told a Press conference yesterday: "If the Prime Minister feels he cannot make decisions, if he can govern the best thing for him to do is resign."

"This is a new type of government where the Deputy Prime Minister acts as the Finance Minister."

With his new powers, Sir Julius Chan can now: Advise Governor General in respect of the making or approving of regulations, rules and by-laws made under an act of Parliament; consider proposals for exemption from, or reduction of, customs duty under the Customs Tariff Act.

Decide the acceptance of tenders over K300,000, and not exceeding K500,000 advise the Governor-General on loans for which it is proposed to give guarantee by the State; and advise the Governor-General, under the loans (Overseas Borrowing Act), on loans of less than K2 million.

"The scope of the transfer of the powers to Sir Julius Chan includes Financial powers.

"Those powers appear to undermine the powers of the Audit Act which are the sole responsibility of the Finance Minister," Mr Somare said.

"It is a cruel blow to the three arms of government and constitutionally, procedurally and conventionally wrong."

Mr Somare said matters pertaining to loans and customs tariff were the sole responsibility of the Finance Minister.

"If I was Finance Minister I would tender my resignation," he said.

The Opposition Leader said the Deputy Prime Minister was "just a name". He said it did not carry any powers rather than to substitute the Prime Minister when he was overseas.

Wingti Defends Action

42000285a Port Moresby PNG POST-COURIER in English 24 Feb 88 p 3

[Article by Sema Rea]

[Excerpts] Prime Minister Mr Wingti has told his Cabinet ministers they still have powers and authority.

In a letter to his ministers this week, Mr Wingti gave a personal assurance that their current responsibilities and authority were totally intact.

He was making his position clear in view of his distribution of some executive powers to Deputy Prime Minister Sir Julius Chan.

The delegated powers were previously held by the National Executive Council.

Opposition Leader Mr Somare has condemned the move and called on the Prime Minister to resign if he could not make decisions.

A source close to Mr Wingti said yesterday Mr Somare's outburst was a simple attempt to force a rift between Cabinet ministers.

He accused the Opposition Leader of behaving "like a whingeing child."

Mr Wingti said the powers were vested in Sir Julius as executive chairman of the recently revamped National Planning Committee.

He said the distribution of these powers was the result of recent Cabinet discussions delegating certain powers to the NPC.

Mr Wingti explained that the Constitution did not permit Cabinet powers to be delegated to a committee. But these powers could be delegated to an individual minister.

"The spirit of the delegation of these powers is to empower Sir Julius to act in his capacity as executive chairman of the NPC," Mr Wingti said.

"It was not the intention of the Cabinet, or its wish, that these powers be exercised outside of this function, other than on matters approved by the NPC.

"The executive chairman will thus exercise this delegation only once the NPC has determined its decision on a matter."

Mr Wingti said the powers of any individual minister, as currently exercised, empowered and determined, were in no way abrogated or diminished by this delegation to the Deputy Prime Minister.

/9274

Wingti Said To Offer Pangu Senior Ministries

Pangu Claims To Rebuff Offer

42000285b Port Moresby PNG POST-COURIER in English 22 Feb 88 p 4

[Article by Angwi Hrichwazi]

[Text] Prime Minister Mr Wingti was given the thumbs-down by Opposition Pangu Party's Deputy Leader Rabbie Namaliu when he offered senior ministries in Cabinet.

Among ministries offered were Foreign Affairs and, more recently, Minerals and Energy which is held by another Tolai, Rabaul MP John Kaputin.

He said Mr Kaputin's job was offered to him, "as well as other ministries".

"But I told them I was in the Opposition and that's where I am," he told the Post-Courier from his Raluana village home outside Rabaul.

It was "terribly improper", he said, to take away a ministry from a Tolai leader and give it to another Tolai.

"I would never even conceive that and that is what Ereman ToBaining and I said.

"That is the worse thing to do to us, to have him (Kaputin) removed and hand it over to another Tolai," Mr Namaliu said.

Mr Wingti had made ministerial offers to Mr Namaliu—through third parties—on many occasions.

It is understood that Mr Wingti—although reticent to show it publicly—is becoming nervous about a possible no confidence motion in him in the coming session of Parliament.

His latest job offer to Mr Namaliu was done in a bid to counter the proposed motion.

Mr Namaliu said yesterday the no-confidence might still come but he had been away from Port Moresby for a long while and did not know the latest developments.

Deputy PM Denies Press Report

42000285b Port Moresby PNG POST-COURIER in English 23 Feb 88 p 3

[Article by Sema Rea]

[Excerpt] People's Progress Party leadership is non-negotiable, according to the party leader and Deputy Prime Minister, Sir Julius Chan.

Sir Julius yesterday slammed the Niugini Nius for what he termed "irresponsible kindergarten reporting" of rumors about him making "patently ridiculous" offers to the Deputy Leader of Pangu Party, Mr Rabbie Namaliu, to join the Government.

But the Prime Minister Mr Wingti, has confirmed having had discussions with Mr Namaliu.

Mr Wingti said he had also had discussions with other leaders but the outcome of their talks "will always remain strictly confidential".

/9274

Somare Calls for Deferment of Proposed Pay Raise

42000286b Port Moresby PAPUA NEW GUINEA POST-COURIER in English 23 Feb 88 p 18

[Text] Opposition leader Michael Somare has cautioned the Parliamentary Salaries Tribunal to defer further consideration of entitlements for members of Parliament until the Government has sorted out the grievances of tertiary students, teachers and nurses.

Mr Somare said students had been denied their Natschol allowances, and teachers and nurses with pay increments awarded by the arbitration tribunal must be given their fair deals.

"I believe it is commonsense to defer any further consideration of salary and entitlement improvements for MPs until aggrieved workers have been catered for," he said.

"To pursue improved entitlements for MPs now would be interpreted as a small number of privileged politicians seeking to enrich themselves at the expense of the masses.

"We have schools and other learning institutions being closed or hard hit by funding cuts since 1986.

"We have university students boycotting classes because their allowances—their life-line—have been cut by this Government.

"We have teachers and nurses who will not be paid their new determinations because this Government did not budget for extra pay for teachers and nurses, and had redirected funds elsewhere.

"This Government has got to tell the nation the truth about where all the money in their 'billion kina budget' has gone to.

"This Government has done this nation a great disservice by not seeking to improve conditions of workers such as teachers and nurses and by cutting funding for education.

"This Government must be condemned for giving education, health, law and order, manpower planning and training and integral human development a very low priority," Mr Somare said.

/9274

1987 Inflation Called Lowest Since Independence
*42000286c Port Moresby PAPUA NEW GUINEA
POST-COURIER in English 23 Feb 88 p 18*

[Excerpt] The country's inflation rate last year was the lowest since Independence.

And according to Finance and Planning Minister Mr Kwarara this reflected the Government's firm commitment to sound economic management and price stability.

Mr Kwarara said yesterday the consumer price index for the year ending December 1987 had increased by only three percent.

He said this was the lowest annual rate of inflation the country had experienced since Independence.

Mr Kwarara said this rate was lower compared to the previous year when the CPI was recorded at 5.3 percent.

He said the CPI for the December quarter of 1987 increased by one percent compared to 1.3 percent for the September quarter in the same year.

Mr Kwarara added that the outcome for the 12 months to December 1987 was actually half that of the official projected figure of six percent for 1987.

The Finance and Planning Minister said this inflation rate meant that wage and salary earners would receive full indexation and that real income would be maintained.

Apart from Australia, most developed countries were experiencing moderate rates of inflation, he said.

Mr Kwarara reiterated that there were no marked price increases or decreases over the December 1987 quarter and this was the reason for the relatively low rate of inflation of one percent in that quarter.

/9274

Catholic Church Criticizes Handling of Irianese Refugees

*42000286a Port Moresby PAPUA NEW GUINEA
POST-COURIER in English 22 Feb 88 p 5*

[Text] The Government has come under fire from the Catholic Church for its handling of Irian Jayan refugees in PNG.

And the Church wants the Government to do more instead of leaving everything in the hands of the United Nations High Commission for Refugees.

In a strongly worded statement, the Board of the Catholic Commission for Justice, Peace and Development in PNG and the Solomon Islands, said the Government had failed to provide proper education, employment and had not even considered naturalisation for some of the refugees.

Currently, there are more than 1,000 refugees living along camps in the border while others are living with relatives in urban centres.

The board said these refugees seemed to have been forgotten by the PNG Government.

PNG, being a signatory to the Geneva International Convention, was not fulfilling its obligations under the Convention, it said.

The Government has failed under Articles 26, 26 and 28 to allow refugees freedom of movement by travelling in and out of PNG by not issuing them identity papers and other travel documents.

The Government had also failed in providing education for refugees at all levels as well as failing to recognise foreign school certificates and diplomas held by them, the board said.

It said the refugees had not been allowed to become wage earners and were also not allowed to be self-employed.

It wants the Government to give naturalisation to those who have family ties in PNG, allow refugees to be employed on plantations, supervise and manage camps now being run by UNHCR and take the responsibility of asking other countries to re-settle refugees.

/9274

Ted Diro To Stand Trial Again

42000286d Port Moresby PAPUA NEW GUINEA
POST-COURIER in English 1 Mar 88 p 1

[Article by Euralia Paine]

[Text] Central Province MP Ted Diro will stand trial in Port Moresby District Court on five perjury charges arising from the forestry inquiry.

The National Court yesterday found that magistrate Allan Kopi had erred in striking out the five charges in the District Court in January.

Mr Kopi had then ruled that he had no jurisdiction to hear the charges and suggested that perjury was not an offence under the Commission of Inquiry Act, even though it was an offence under the Criminal Code.

The Public Prosecutor's Office applied to the National Court for a review of that decision.

Yesterday, Mr Justice Woods gave his decision in favour of the appeal, and told a packed court room: "I find that the magistrate has erred in law and I therefore order that the decision of the magistrate of January 21 where in he dismissed the five informations against Edward Ramu Diro on charges of perjury, be quashed.

"I further order that the five informations against Edward Ramu Diro for perjury be heard by the District Court at Port Moresby according to law."

/9274

Columnist Analyzes Evolution of Political Alliances
42000293h Manila PHILIPPINE DAILY INQUIRER in English 28 Feb 88 p 5

[Article by Belinda Olivares-Cunanan: "EDSA Crowds Confound Skeptics"]

[Excerpt] As reported by media, a new pro-Cory political group appears to have been formed during a dinner party hosted by the President's brother, Cong. Jose Cojuangco, at Fort Santiago the other evening. Actually the emergence of Laban ng Pilipino that evening appears to have been merely the culmination of many meetings hosted by presidential relatives such as Congresswoman Tessie Aquino-Oreta and Peping Cojuangco. It appears to have drawn elements of Ninoy's old Laban, which had coalesced with the ideology-oriented Pilipino Democratic Party or PDP back in the early'80s. Now these Laban elements, headed by Speaker Ramon Mitra, have coalesced with Lakas ng Bansa, which was born in the later months of President Aquino's first year to accommodate politicians without political parties. Reports indicate that over 20 independent congressmen, many of whom had been with the old KBL before, are also into this new coalition. From all indications Speaker Mitra is going to head the group, perhaps an indication of the prominence he may be expected to play in 1992.

The interesting thing to watch is how two significant groups, the Liberal Party under Senate President Jovito Salonga, and the PDP under Sen. Nene Pimentel, will react vis-a-vis the new coalition. In a conversation with Pimentel a few days ago this columnist was given the impression that the PDP will be revitalizing itself in the coming months "come what may" and that dissolving into a bigger coalition is not in its agenda. One of its first tasks would be to try to recover the ideological moorings it lost during the incumbency of Peping Cojuangco, when the recruitment of a number of former Marcos henchman was said to have disenchanted many party ideologues. Pimentel stressed that his party is alive and kicking, particularly in Mindanao. In Region X, for instance, it captured the governorship in five out of ten provinces.

The way things look, former PDP-Laban stalwarts Cojuangco and Mitra appear to be on the way to severing ties with the old PDP, perhaps for political expediency, and bringing their old Laban faction into Laban ng Pilipino. Such a development would come as no surprise, since it is well-known that these traditional politicos have felt like fish out of water in the old ideological party. In a sense the split of PDP-Laban would weaken the party because the two separating politicos do have their own large following. But in another sense it would mean a strengthening of PDP as the purge would restore it to its old purer form.

What may be perceivable in the next few years is a possible tactical alignment between the PDP and the Liberal Party under Salonga versus the Lakas-Laban coalition. This wouldn't be a surprise either, since these two groups have a closer ideological orientation than other groups. But what would provide real perks is the question of how the PDP and the LP would behave vis-a-vis Cory Aquino, for Nene Pimentel is a dyed-in-the-wool Cory loyalist, while Salonga tends to be more independent of her.

Another group that will devote itself within the next few months to building at the local level is the National Union of Christian Democrats (NUCD), which also shares some kind of ideological kinship with the PDP and the Liberal Party. NUCD is sponsoring a victory party on March 5 for all party members who were in the January polls, as well as those who lost. It will come as a surprise to many that the NUCD succeeded in getting some six governors and three vice-governors elected, plus ten provincial board members, 25 mayors and some 122 councillors. "For a party without any money, this is no mean record," says NUCD chairman Foreign Secretary Raul Manglapus with ill-concealed delight.

A party that professes to be "more pro-Cory than Cory herself," the NUCD aims to develop its "ideological party system" through seminars. Though relatively small compared to the other political groups, the NUCD was very much a part of the then opposition's Convenor Group in early 1985 and was a member of the Lakas coalition in the senatorial elections. When a group of European parliamentarians representing various political persuasions came over here some two weeks ago in search of their various counterparts, it is said that all they could really discern in the local political babel is the group of the Christian democrats.

08309

Aguinaldo on Post Election Agenda, Targets Corrupt Politicians
42000293a Bangkok THE NATION in English 3 Mar 88 p 13

[Article by Criselda Yabes: "RP's Anti-insurgency King Says Corruption Is Enemy"]

[Text] Gattaran, Philippines—Six months ago Lieutenant-Colonel Rodolfo Aguinaldo was flying the Philippine flag upside down in defiance and itching to join anti-government fighting in Manila.

Today he sings the praises of democracy and claims to have become a part of the system.

"There are limitations in the military. As a politician, I will be able to do a lot more," the one-time rebel said in an interview.

"I don't want to wait until I'm a general to be able to change things. I want to prove ... that there's hope for change, through the constitution not arms."

For Aguinaldo, change has already come through the ballot box.

Sacked from the army after he openly supported a major military rebellion against President Corazon Aquino, he stood in local elections in January and won a landslide victory in the race for governor of the strategic northern province of Cagayan.

He is still battling charges of cheating from angry opponents, but most outside observers believe massive local popularity in the mountainous, rebel-infested province made his victory a foregone conclusion.

The ruthless anti-communist fighter who used to drape belts of hand grenades around his shoulder and carried guns wherever he went, now lists corrupt politicians as enemy number one.

"The true enemy are the dirty politicians not them," he shouts at an interviewer asking about the communist New People's Army.

"If I were a civilian, I would have joined them years ago. (The politicians) have created the injustice that drove people to the hills," Aguinaldo said.

In an analysis many moderates would agree with, the man locals dub the anti-insurgency king blames corrupt businessmen and politicians for creating the conditions in which the rebels thrive.

"For 16 years, I've been exploited by this type of politician ... I have to fight them," he said.

King Rudy, wearing slippers and jeans, now holds court in a big run-down house with the paint peeling from the walls. Guards stand at the doors, watching the surrounding rice paddies. His coveted Israeli-made Galil automatic rifle is no longer on public display.

No formal charges have ever been filed against the former military commander of Cagayan province for his role in the August 1987 attempted coup and his links are strong with his former colleagues.

Secretive about his age (friends say he is 37) and his private life, observers say he retains a leading role in the local military even though he is officially off the payroll.

Local officials say he is backed by an army of more than 2,000 volunteers, including former rebels.

In February, months after he turned in his uniform, he led a major strike against rebels in the mountainous region, bringing back five prisoners.

"Of course, I could do with some exercise," he said, smiling. "If they (soldiers) want me to lead, I'd gladly do that. I can pick up my rifle again."

The raid was an example of the swashbuckling style praised by a military hungry for success but loathed by human rights groups and the left.—Reuter

08309

Zobel Offers Hacienda as Land Reform Example
42000293i Manila PHILIPPINE DAILY INQUIRER (Sunday Supplement) in English 28 Feb 88 pp 11-13

[Article by Dennis M. Arroyo: "Why EZ's Land Reform Works"]

[Text] He once hunted a tamaraw using a helicopter. Hovering over Mindoro's lush foliage, he spotted the prey and closed in for the kill. The chopper chases the animal around the forest, scaring the other wildlife along the way. After much pursuit, the exhausted beast simply gave up, collapsed on the earth, and must have snorted an act of contrition. The chopper swept down on the tamaraw, then the pilot made his day.

Enrique Zobel is no stranger to the unusual. So it's not surprising to see him choose the proverbial less travelled road. The latest twist in his list is a unique type of land reform for Hacienda Bigaa. That's his [word indistinct] and crop estate in Calatagan, a Batangas town near the sea, some 200 kilometers south of Manila.

EZ, as he calls himself, doesn't know what his landed neighbors think of the idea. And he says he doesn't care. What is certain is that he's proud of what he has done to the region.

"We don't give money (to the NPA). We give the example. That's why we're untouched. We have no guards. I don't have one single guard. My guards are the 6,000 people around me. They're landowners," beams Zobel.

Agrarian land reform a la Zobel may raise the eyebrows of many a usual landlord. It may prick the consciences of some and evoke the suspicion of others. It may cause academics to rethink their class divisions, and rebels to redraft their strategy. Its sheer rarity puzzles and disturbs.

The point is, it seems to work.

Zobel's distribution caper involves his 36 employees in Hacienda Bigaa. Each of his regular workers now owns one hectare of agricultural land, aside from a home lot of about 700 square meters. In turn they are to organize themselves into a cooperative to maximize productivity and income.

Beneficiaries are to pay for the land over a long span of 20 years. Their annual installments are not to exceed ten per cent of their yearly income. But the money collected won't go to Zobel. Rather, it will be channeled to a trust fund for seeds, pesticides, equipment, fertilizers, and other needs of the cooperative. And during the first five years, Hacienda Bigaa will provide the workers with support services like the purchasing of farm inputs and the marketing of produce. Once the cooperative becomes operational, it's on its own.

Distribution was one by raffle to assure fairness. Amidst the noise, Zobel informed reporters that Hacienda Bigaa had no tenants and no casual employees. All workers were permanent. One of the farm hands picked his stub, looked at the number, and signed his name on the reference map.

"Sinong ilalagay mo diyan? [Who will you put there?]" Zobel asked.

The question drew laughter from the crowd. Puzzled journalists inquired what the joke was all about. Grinning, EZ replied that the man had two wives.

This is actually Zobel's second stint with agrarian reform. It merely echoes 1952: he then gave away 8,000 hectares to hundreds of employees. It was a voluntary affair, with each worker availing of parcels from five to ten hectares each. Payment was spread across ten years.

A particularly striking case was that of farm hand Jose Caisip. He retired from Hacienda Bigaa at age 73. In open gratitude, Zobel awarded him 25 hectares—property now worth P5 million. In his letter, the plain folks' hacendero even waxed mushy:

"It is sad to have such a dear, loyal employee, besides being a friend, retire, but these things in life happen and I want you to consider that (while) you are retired, you still are a member of the Zobel family, because loyalty which your grandfather, your father, yourself and your brother have displayed in the past is something that is deeply admired and will never be forgotten."

Such loyalty seems to be the general rule in Calatagan. And it's apparently well deserved: the development of the area is virtually Zobel's fetish and achievement.

Zobel has built two schools, one considered the best in Batangas—a frequent host of teacher conferences. Further, all employees reside in free cement houses, consisting of EZ's standard floor plan of sala, kitchen, bedrooms, etc. Some even own television sets. The tiny town has its own church, bank, post office, clinic, funeral parlor, fire station, bakeries and other municipal staples. The residential areas are serviced by water and electricity.

"Here, the poor are called the working poor, because they all have jobs," brags EZ.

The workers at Hacienda Bigaa are treated to various benefits. Medical care, for one, courtesy of Zobel's own doctor. Also, children of the laborers qualified for office jobs are brought to Manila. Rice grown in Calatagan is sold to the workers at a discount.

Employment is likewise enhanced by an ice plant which caters to the fishermen of the area. The factory sells 330 blocks per day and yields P1 million in taxes per year. Zobel adds that his workers do not cheat; their blocks are solid, not hollow.

Another job generator is Zobel's laundrymat which relies on both washing machines and human skill. The customers are the tourists of EZ's nearby resort, Punta Baluarte.

One result of such predilection for the workers is peace. Other towns are swarming with rebels. Not so with Calatagan. The most that the NPA can manage are a few regulars who pass through Barrio Luksuhin as ice candy vendors. An old joke is that the insurgents go to Calatagan for rest and recreation.

Zobel's common touch seems to rest also on typical Pinoy flexibility. The workers want to uproot the mango saplings in their new hectares, but EZ hates to see them go to waste. He eventually gives in. "What can I do? It's their land now," he says. One notices a slight Batangas flavor to his fluent Tagalog.

The plebeian quirk in EZ doesn't seem to be confined within Calatagan. He once donated land for the construction of the Asian Institute of Management. At the ceremonial groundbreaking, the bulldozer did not start. So the former mechanic took off his barong, crept under the bulldozer, and repaired it.

Zobel has every reason to be chummy with the poor. After all, he grew up with them in the wilds of Calatagan. His office is lined with numerous framed photos of his childhood: shots of a 10-year-old EZ posing with his young hunting barkada and their dead deer. (He easily stands out in the pictures because of his glaring white skin.) One former playmate continues in the family employ, a man nicknamed "Big Boy" who also got land in 1952.

World War II was the great leveller of the Zobels. Because the banks were closed, they couldn't touch their money, and were reduced to poverty. Besides, Enrique's father was away, fighting in Bataan. Don Jacobo also figured in the Death March and was a prisoner of war at Capas. So Enrique first sold his stamp collection and his Rolex watch. That wasn't enough. Desperate, Zobel got hold of one of his horses and chose to make the plunge: he became a cochero plying the streets of Manila. Eventually passengers got used to the queer sight of a calesa driver with fair skin and blue eyes.

The Japanese had sequestered the Zobel's polo ponies for their own use. Enrique insisted on getting them back, so he kept on harassing the soldiers. Finally, the authorities relented and agreed to return the steeds. But there was one condition: he had to give Spanish lessons to one of the generals. Enrique complied, relieved that he would be having a decent meal in the barracks. Later on, the general rewarded his tutor by releasing his father. An ecstatic EZ was brought to the prison where he finally saw Don Jacobo. The captive was down to a ghastly 89 pounds.

Back on Calatagan, EZ and his father were arrested and brought to the Japanese garrison. After a few hours toward dawn, the guards heard a commotion. It turned out that hundreds of Enrique's farm workers had massed in a display of fierce loyalty to their hacendero and his son. Armed only with bolos, they explained that they had come to rescue the Zobels. The amazed soldiers let them go.

How does Zobel view the present thrust for land reform?

"Very confusing. There are four different versions I read in the papers. I don't know. I think they should give a chance to the landowners to talk to his people. Why can't the government let the landowner solve his own problems with his people?"

He prefers agrarian reform based on the yield of the land. The state simply can't consider a rainfed seven-hectare lot equal to its irrigated counterpart. The quality of the soil, he says, is much more pivotal than its sheer size.

Zobel states that for such reform to succeed, it is not enough to merely divide the land. More important are the support systems. Further, the authorities should make employment their primary aim in activating the program.

"For successful land reform, you have to give schools, you have to give roads, infrastructure. How long will that take? Ten years. Simultaneously, you start with lands owned by people who don't use them—idle lots."

He fears the lack of funding for the endeavor.

"How can you do this if you don't have the money? What are you talking about?"

Zobel also doesn't relish the idea of starting agrarian reform with those who have been cultivating their lands to the maximum. And then there are a few peculiarities. How does one divide pasture areas? The mind quickly whips up ridiculous images of crowded cattle mooing their protests to the retention limits. And the agri-multinationals? EZ states that they should just lease the land.

Zobel talks not merely from his extensive experience with the soil. He has much theory to back him up: a college degree in agriculture and animal husbandry.

Zobel is quick to clarify talk about his Marcos connections.

He did not campaign for the exiled Ilocano, he states. What he said was that if Marcos would stop all that grand-scale corruption, and if he weeded out all his corrupt men, he would actually vote for him. Zobel remarks that after all, Marcos was the architect of his infrastructure. He would thus be in the best position to pluck out the rotten from his edifice and dismantle it. Marcos promised such a renewal, but didn't comply, of course. Meanwhile, Zobel's unusual line of reasoning gave him a host of enemies. He had tried to believe that Marcos would repent.

"After all, many great sinners have become priests," he quips.

Truth to tell, there was a lot of friction between the two. Zobel began the Makati Business Club, an association of leading magnates. Once, he trooped to Malacanang, a few MBC members in tow, and confronted Marcos regarding the sordid state of things. The Makati Business Club threatened a strike: for one day all firms would simply shut down in collective protest. Marcos retreated. He offered Zobel a position in government, reportedly Minister of Agriculture. EZ turned it down.

Does Zobel think about entering the political arena? He feels that he can't do much there. "What can you achieve? You're one guy out of so many," he says.

There are other venues anyway. Being outside the structures of government allows EZ more freedom to speak his mind. A recurring theme is his ire at those callous to the multitudes. He notes, for example that in Makati the firms are getting richer while the poor are now more destitute.

"In a few years that will explode."

Zobel adds that companies should try going into the countryside to see conditions for themselves. In his own trips he found that in certain areas, the people ate only once a day.

"I think they (some business firms) have become more egoistic. Marunong silang magiaro, pero wala namang ginagawa para sa bayan. [They know how to play the market, but they're not doing anything for the people.]"

Zobel adds that profit rates of certain companies are very high: 30 per cent. The normal level is around 15 per cent. That means they can allot half of their profits for wage increases, worker benefits, and the like.

Radical suggestions, perhaps. But then again, those are to be expected from a former cochero whose land sharing borders on scandal. SI

08309

Columnist on Background, Limits of Sin's Call for Agrarian Reform

42000293g *Quezon City MALAYA in English*
28 Feb 88 p 4

[Article by Luis R. Mauricio: "The Cardinal Sees the Light"]

[Text] In his homily during the mass said on the occasion of the observance of the EDSA People Power revolution's second anniversary last Thursday, Cardinal Sin added his voice to the long-existing clamor for genuine agrarian reform.

The church leader said that "agrarian reform must rank high in the agenda of social justice in our country." It is the next miracle, he said, "that could give meaning to the dreams and hopes" of the EDSA revolution.

He said that despite EDSA, "the ever growing gap between the rich and the poor" has not been drastically reduced nor wealth equitably distributed throughout the land.

Empty Platitudes

There is no doubt that the Cardinal delivered a sound and stirring message. It emphasized distinctly the Church's concern for the poor and the dispossessed.

It would have been more effective, though, had the local Prince of the Church not limited himself to generalities and empty platitudes (about "social justice" and "gap between the rich and the poor")—the kind that politicians are so fond of using—and, instead, had given his flock the benefit of his sagacity by sharing with them an inkling whereof he (or the Church) stood on the matter of the limits of land retention.

(This, by the way, is the issue that has caused the delay in the approval of an acceptable agrarian reform law by a Congress whose both chambers are dominated by agents of reaction.)

Furthermore, the Cardinal's message would have had added meaning, of course, if there had been a record, during the last two years (not to mention the last four decades), that the Church had divested itself of its great wealth, including lands, jeweled crowns and tiaras, commercial banks and valuable stocks in blue chips industrial corporations.

Resembling a Miracle

Nevertheless, one good thing can be discerned behind those generalities and platitudes which marked Cardinal Sin's homily.

At least, one could glean from them the thinking of the Cardinal that social action, which is a means of attaining social justice, (in effect, the closing of the gap between the rich and poor) is not against the teaching of the Church and does not violate the laws of God.

The appearance of this new perception and wisdom by Cardinal Sin is significant and should be duly appreciated—and acknowledged as a change that approaches a miracle.

It was not too long ago that Cardinal Sin had expressed distaste for the practice of certain religious (priests and nuns), as well as laity, in engaging in active social action work, especially in rural areas where communist insurgents operate. He had frowned on the political activism of young people of the clergy, who had had the temerity to protest willful and deliberate violations of human rights by the administration which the Cardinal had helped install into office.

Has not Cardinal Sin likewise once pushed from a bench a lay woman worker who had been so bold as to approach the Prince of the Church in his villa at Mandaluyong in order to plead for the cause of picketers being harassed and abused in a strike-bound religious organization?

And lately, the Cardinal was at the forefront of the reactionary elements in the Church which branded as leftist—or infiltrated by communists—the various social action centers in the dioceses all over the country, which are all gathered together under the umbrella of the National Secretariat for Social Action (NASSA).

Priest's Pastoral Duty

That the Cardinal's homily represents a new vision cannot be disputed. It is something that must, therefore, be celebrated.

If one were to be expansive about it, the change can be likened to that which transformed Saul of Tarsus when he was struck by the heavenly Light of Enlightenment on his way to Damascus.

As a result, it should now be easy for the Church to recognize the merit of the work of its various social action centers and the importance of the role played by the barrio-level self-help organizations of rural poor which the NASSA chapters had organized.

To a certain extent, though, this new perception is just a return to one that Cardinal Sin used to espouse during the Marcos dictatorship, when he was pursuing what he termed a policy of "critical collaboration."

The collaboration phase of the policy consisted of his appearing every now and then in Malacanang during occasions important to the family of the conjugal dictators (like baptizing the child of the union between Imee Marcos and the much-married Tommy Manotoc—a union, by the way, which, if found in less prominent families, would have been denounced by certain religious leaders as anti-Christ, in the eyes of the Church).

The "critical" phase of his collaboration consisted of denouncing the greed of the couple and the abuses in government, justifying his act—as well as the activism of the clergy—with the argument that that was merely part of a priest's pastoral duty.

08309

Baguio Paper Hits Lack of Process in CAR
42000289d Baguio City *THE GOLD ORE* in English
20 Feb 88 p 4

[Article by Carol De Raedt in "The Occasional Chair" column: "Cordillera Autonomy: A Contradiction in Process"]

[Text] In November 1987, a motion was filed at the Supreme Court to declare unconstitutional EO 220 authorizing the establishment of the Cordillera Autonomous Region [CAR]. The reason for which the motion was filed is similar to that expressed by Senator Jovito Salonga on the issue of naming members of an Executive Board for the Mindanao autonomous region: "How can you name persons to positions which have not yet been created by Congress?" The autonomy issue, draft charters, structures and processes are to be passed by the legislature in December 1988 and subsequently ratified by plebiscite in the provinces concerned.

In January, the solicitor general's office stated simply that EO 220 is constitutional. A motion for resolution is pending before the Supreme Court until proof is presented that EO 220 is being implemented. Meanwhile, the handful of Cordillera folk with access to local patronage and Manila-based information or offices are expectantly awaiting their appointments to the Cordillera Executive Board—an event which the Baguio City grapevine expects on February 26, the anniversary of President Aquino's assumption of office as President of the Republic of the Philippines. Only three days ago were there moves from the city, Province of Benguet, and private entities to seek an audience with the CAR organizers, perhaps early next week.

These are odd beginnings for an autonomous region. The Baguio weather forecast is televised so that visitors from Manila may be forewarned to pack sweaters, umbrellas

or shorts. Cordillera autonomy, however, would seem to have more local import and merit more local and national respect. Yet the two touchstones of democracy—accredited representation and local consultation—have not been featured in the process of forming the CAR. It is proof enough that local government units have not been aware that nominations to the Cordillera Executive Board have been made and appointments are imminent. And this without the issuance of any implementing order of guidelines for EO 220.

On January 6, 1988, an advertisement in the Philippine Star listed nominees for interview by the Presidential Management Staff at Mansion House, Baguio City, and announced the interview the following day. A reliable Gold Ore source reports that the Manila office of PMS was making hurried attempts to January 6 to contact a Baguio radio-station to issue the announcement—and an extension of the deadline for application to February. Prior to this there were no announcements of the acceptance of nominations, and criteria for nominees—which, as stated in the ad, were minimal: Cordillera ethnic affiliation or residence, good moral character, no engagement on the 1988 local elections, and a nomination by sectors.

A more significant lack is apparent: throughout the nomination process there was no statement of bases for accreditation of nominees through verification of nominators and credentials—no accreditation other than the nominations themselves. This lack can be directly traced to the omission of substantive local consultation, whether for eliciting reactions to the proposal for regional autonomy, for gaining a sense of local concepts of autonomy, or for achieving a consensus among the local and national segments as to what autonomy might mean and hope to accomplish. Without the establishment of a locally-based and locally-staffed secretariat or consultative panel, without the inclusion in Manila staffs of personnel knowledgeable about local conditions, accreditation is an improbable if not impossible task. The inability of Manila Personnel to fulfill this function for a distance and without local knowledge was not supplemented by a network of reliable contacts able to collate broad sectoral perspectives, to render accurate information, and to encourage the participation of the Cordillera in the formulation of its own autonomy.

There are those who will maintain that the Cordillera itself defaulted on the autonomy issue, leaving it in the hands of national government to pursue the constitution mandate for movements toward autonomy. It is difficult to understand how autonomy can develop from non-democratic processes that give little recognition to local prerogative for autonomy. If centralized authority cannot assist in the decentralization of authority, if it yield to the temptation to exercise its unilateral powers with the assistance of a few locals who, in the absence of open channels become representatives by default, then the government cannot fulfill the constitutional mandate for autonomy in any manner.

/9274

New Davao Mayor Thanks Pala, Supports Alsa
Davao City THE MINDANAO DAILY MIRROR in English 9 Feb 88 pp 1, 7

[Text] Mayor Rodrigo R. Duterte, before a large crowd at his office yesterday morning, declared that his administration is committed to support the Alsa Masa movement through livelihood programs.

He reiterated this commitment when Jun Pala, internationally recognized anti-communist broadcaster, paid a call at the City Mayor's Office together with mediamen.

Pala read before Duterte and the crowd a prepared statement urging his followers and the general public "to give their full support to Mayor Duterte and his newly-installed administration."

According to Pala, he is "serving notice to all agents of leftist elements, political factions or interests that I will assist and support the administration of Mayor Duterte to sustain the gains we have established in our campaign against communism.

In their brief dialogue, Duterte thanked Pala for his assurance of public support for his administration, particularly in the maintenance of peace and order in our city.

Meanwhile, Duterte has completed naming his deputy mayors by inducting into office yesterday afternoon Roberto Pichon as deputy mayor for Buhangin district, which includes Barangay Agdao.

The other deputy mayors in the second district were earlier named and likewise took their oaths of office before the city mayor.

City Press Secretary said the appointees are:

Roque Bosque, deputy mayor for Bunawan; and Gilbert Navarro, deputy mayor for Paquibato.

Also earlier Duterte appointed the deputy mayors for Toril, Tugbok, Calinan, Baguio and Marilog which composed the city's third congressional district.

08309

Weekly Views Bishops' Behind-Scenes Revamp of 'Infiltrated' Church Arm
42000300g Quezon City NATIONAL MIDWEEK in English 24 Feb 88 pp 23, 46

[Article by Luis V. Teodoro]

[Text] It's not every day that you can catch a prince of the Church—a real live cardinal who can actually be Pope—telling an untruth, but Jaime Cardinal Sin, Archbishop of Manila, vigilante advocate and peddler of used miracles, was doing precisely that in early February.

He wasn't doing it before a small group either. He was doing it before the Foreign Correspondents Association of the Philippines and therefore before the world as well (*urbi et orbi*). In between his usual chortles, the Cardinal said that the National Secretariat for Social Action (NASSA), a Catholic Bishops Conference body established during martial rule to try to look after human rights and the welfare of the poor, was being shut down because it was "communist-infiltrated" and had been used to funnel money from foreign funding agencies to the Communist Party of the Philippines and the New People's Army.

The Cardinal also said on the same occasion that human rights groups, including the Nobel Prize-nominated Task Force Detainees of the Philippines (TFDP), were also—you guessed it—communist-infiltrated, which he said explains why they've been complaining of human rights abuses, whereas, he said, the Aquino government's human rights record has actually been better than Marcos'.

The truth is that NASSA has not been abolished but merely reorganized, although the conservative bishops (of whom there are, contrary to popular belief, many) did want to dismantle it because of military accusations that its projects have been used to supply and/or arm the NPA. What prevented NASSA's dismantling was money. NASSA still has \$13 million in its bank accounts which would have ended up in the Philippine government treasury if NASSA were abolished. Not even the reactionary bishops love the government that much; the decision was therefore to reorganize it, the first step in the process being the relief of Bacolod Bishop Antonio Fortich as NASSA national director, and his replacement by the conservative Bishop Francisco Claver.

Conservative as he is, Bishop Claver denied that NASSA funds had been diverted to the NPA. An investigation by the bishops last year—an investigation Cardinal Sin presumably knew about—uncovered no evidence that NASSA money was being diverted from what it's meant to be spent on. Bishop Claver, of course, also restated what most Church people knew: that NASSA had not been abolished, and that it was "very much alive, very much a Church body."

The human rights groups Sin accused of being partial to the CPP and NPA, on the other hand, took issue with the claim that the human rights situation has actually improved. The provincial superior of the Claretian order in fact said the situation was getting worse and worse, and suggested that Sin was "out of touch with reality." TFDP, for its part, noted that Sin's views echo the military establishment's, and that the human rights situation under the Aquino government, on which TFDP had prepared a report, has not been as great as Sin made it out to be.

The 1987 TFDP report indeed noted that there was an increasing number of disappearances in relation to the number of political arrests, and that the encouragement by government of vigilante groups had led to many killings in the rural areas of the Philippines. These claims were heavily documented, and confirmed by lawyers' and international human rights groups. Newspaper people are particularly aware of these violations. Field reporters and correspondents of Manila newspapers and news agencies get reports of torture, arbitrary arrests, outright killings, arson, strafings and plain disappearances every day, to the extent that they have become monotonous. These reports have not been fabricated, and are not lies, as Mrs. Corazon Aquino has claimed.

What are lies, on the other hand, are the claims that such reports are being concocted simply to discredit the Aquino government's human rights record—a record which, in relation to the Aquino government's promises, is bad enough not to need any external effort to discredit. These lies, however, are in danger of being enshrined as the truth simply because people like Cardinal Sin are anxious to do the opposite—to give the Aquino government more credit than it deserves.

Giving credit to the government even when it doesn't deserve it is a habit of long-standing with Cardinal Sin. It took the good Cardinal fifteen years—and the latter part of the fifteenth year at that—to realize what the rest of the Filipino people had known for some time about the Marcos regime: that it was repressive, cruel and unjust. Four months before the Marcos fall in 1986, the Cardinal had seen no wrong in publicly embracing Mr. Marcos, thus lending the weight of his office to the enhancement of that tyrant's public image. Before that, of course, Cardinal Sin had several times said that we had to give Mr. Marcos a chance, that all those reports of human rights violations were exaggerations, and that the Marcos government deserved our support.

The Cardinal's position then and his position now is a form of—if we may coin a phrase—moral agnosticism: a wilful determination to ignore the facts or to even distort them a little to suit a refusal to take a position on an issue that should concern every Christian, especially princess of the Church.

It's enough to drive anyone to Protestantism—perhaps even to one of the non-Christian churches. If anyone should see this writer on his knees at the Quiapo mosque, remember: the Cardinal made him do it.

07310

Cebu Anticommunist Group Warns Church To 'Cleanse Itself' of Communist Infiltrators

42000289f Cebu City SUN STAR DAILY in English
26 Feb 88 pp 4, 21

[Text] The Federation of Anti-Communist Movements in Cebu (Facom-Cebu) has strongly urged the Roman Catholic Church and protestant churches in the country to cleanse themselves with communist infiltrators and other pseudo-Christians who have successfully gained influential positions within these organizations.

Facom-Cebu has also thrown its all-out support behind the move of Manila Archbishop Jaime Cardinal Sin to expose communist infiltration and machination of the church.

In a press release yesterday Facom-Cebu chairman Pablito Alcover also challenged Cebu Archbishop Ricardo Cardinal Vidal and other responsible church leaders to unequivocally support the beleaguered Cardinal Sin who has been made a target of communist black propaganda after he made the daring expose of communist infiltration in the church

Facom-Cebu warned that should the church continue its vacillating attitude towards Communists and other pseudo-Christians in the church, time will come that fewer and fewer people would actively involve themselves with church activities.

As it is now, Facom-Cebu noted, more and more people are losing their respect with many priests, nuns and pastors because of their undeniable involvement with the communist underground movement.

The umbrella organization of at least eight anti-communist groups in Cebu has reminded the people that communism and Christianity are incompatible. It said the Communists have only used the church to broaden their revolutionary activities but never to advance the Catholic or Christian faith.

Infiltrated

Filipino Communists had used to accuse the Catholic church of "clerico-fascism" but after they realized that this action would rather work against them because of the strong religious fiber in the Filipinos, the new Communist Party of the Philippines (CPP) has abandoned that particular line and instead infiltrated and worked within the church.

The Communists have used church organizations, facilities and issues to destroy the church itself," Alcover said in the same press release.

Facom-Cebu also assailed rebellious priests, nuns, pastors and church-workers of using the controversial liberation theology to justify their belief and position.

Liberation theology's advocacy of armed struggle and violence betrays basic Christian tenets of love, justice and peace, it added.

It pointed out the emergence of Catholic priests as communist negotiators in the different parts of the country during last year's ceasefire period and the recent capture of renegade priests Nick Ruiz and Rustico Tan are enough proof of vast communist infiltration in the church.

Facom-Cebu urged the ordinary citizens to be careful of dubious church-sponsored and church-based organizations which are known to have been infiltrated and dominated by the Communists like the Basic Christian Community (BCC) or Gagmay'ng Kristohanong Katilingban (GKK), Visayas Secretariat for Social Action (Visa), Task Force Detainees of the Philippines (TFDP), Catholic Children's Fund (CFF) and other organizations.

Finally, Facom-Cebu has challenged all church members to be extra vigilant of the priests, pastors, nuns and church-workers assigned in their respective areas and to immediately expose those found to have collaborated with communist terrorists.

/9274

Davao Mayor Warns Communist Activity Increasing
42000293d Davao City *THE MINDANAO DAILY MIRROR* in English 12 Feb 88 pp 1, 6

[Text] Mayor Rodrigo R. Duterte yesterday said there is a resurgence of communist insurgency in the rural areas of Davao City.

The 42-year-old city mayor issued the warning in his speech before members and guests of the Rotary Club of Davao headed by Dr. Nick del Rosario.

At the same time, Duterte vowed not to allow a single barangay to be under the control of communist insurgents during his term as mayor.

He denied being a leftist or a communist saying there was no grain of truth to the "black propaganda" peddled by his political foes during the last elections.

He asked the Rotarians and all city residents to support the Alsa Masa anti-communist groups because they did a lot to improve the peace and order condition of the city.

Without peace and order, the city cannot progress, he said.

Duterte bared that he is setting aside at least P1 million for the Alsa Masa during his term or about P250,000 annually.

He said that the previous administration committed about P372,000 to the vigilante groups but delivered only when election was about to occur.

The mayor said "we have to support Alsa Masa because they man the defenses of the barangays and the city and they cannot even work anymore because all their time is consumed in maintaining peace and order.

Duterte said the previous city administration left only P52,000 in infrastructure fund "not even enough for two posts."

He said he intends to make a trip to Manila to see President Aquino ("I am a Cory man") to tell her about the real financial condition of the city.

The new mayor said he would pursue good projects of the past administration but he will never allow public funds to be spent on private undertakings.

Duterte asked the Rotarians to report to him personally cases of extortion, kidnappings or threats of kidnapping if they feel they could not be assisted by the military and the police.

"If they (the military and the police) will not move, I will do it my own way. If the problem needs my personal action I will be there. I am your mayor 24 hours, he said.

Duterte was introduced by Past President Judge Ramon Tupas, Dr. Honorio de la Cruz delivered the response, Dr. Rodrigo [name indistinct] emceed.

08309

NPA Trades Hostages for CHDF Rifles
42000289a Baguio City *THE GOLD ORE* in English 6 Feb 88 pp 1, 9

[Article by Miguel Guimbatan, Jr.]

[Text] Some 37 high powered firearms were surrendered to the New People's Army (NPA) last Thursday by residents of Tinglayan proper, Tinglayan, Kalinga Apayao for the release of about 60 civilians, mostly wives of soldiers and militia men, held hostage since Wednesday.

Led by Anselmo Bador, alias "Ka Ducros", the NPA's took captive the father of police officer Juanito Dunor who at gunpoint revealed the names of all soldiers and Civilian Home Defence Forces (CHDF) living in that area.

According to reports, the people were fetched from their fields for a general meeting. Names of more than 50 CHDF and a few military men were called but since they were not around, their wives were taken captive but the NPA promised before the people to free them alive upon surrender of their husband's firearm.

The hostages were transported that evening to Ngibat, 6 kilometers away. Relatives of the hostages brought the 87 firearms the next day and more are expected to arrive as of press time.

The NPA's, numbering about 300—a composite force of their Kalinga, Ifugao, and Cagayan commands, also collected an undermined number of assorted firearms from CHDF and military men in nearby barrio of Sumadel, Bangad, and Malngo.

This move was believed to be a retaliation for their loss in the earlier Salegseg battle where their dead reportedly rose to 53. *CNA/02.06/01

Bangued, Abra (CNA)—Heavily armed New People's Army (NPA) men numbering more than a hundred raided last February 3 an eleven-man PC detachment at barangay Dilong, a southernmost part of Tubo, Abra, killing 6 Constabulary men, a militia man, and wounding 2 soldiers and 7 civilians. Witnesses saw two dead NPA's retrieved by their comrades.

In an interview with Col Leon Badivil, Provincial commander of the PC/INP Abra command, "This was their third attempt since 1982. The attack came at 5:00 a.m. and lasted to 12:00 noon, burning the detachment huts and carting away three M-16's and two M-203 grenade launchers. Hot pursuit of the NPA's are undertaken by the Abra constabulary command."

The casualties were identified as: S/Sgt Leocadio Gabanes, CIC Pablo Ballesteros, CIC Eduardo Bersolona, CIC Rogelio Ogoy, CZC Honorato Siobal, C2C Renato Areuejo and CHDF Agapito Tawali. Wounded were CIC Marlon Alcantara and C2C Magno Dumla.

Wounded civilians caught in the crossfire were Alicia Andanan, Lydia Mamintan, Insedne Andulay, Jocelyn Aligan, Benilda Tingdag and Willy Bonoan. They were airlifted to Bangued for Medical Treatment.* Art Castro/CNA/02.05/01

/9274

Sison on Timetable of NPA 'Victory', U.S. Intervention
42000293f Quezon City MALAYA in English
27 Feb 88 pp 1, 2

[Article by Joey Salgado: "Joma Sees Big NPA Push in 10 Years"]

[Text] Increasing the firepower of the communist New People's Army from 10,000 to 25,000 rifles would enable the rebel forces to achieve [word indistinct] parity with

the Armed Forces of the Philippines within two to three years and launch a major offensive "toward total victory" within the next decade, former political detainee Jose Ma Sison said yesterday.

Sison also predicted the Aquino administration would fail in its attempt to crush the rebel movement and the US government would eventually send in its troops to prevent a communist takeover.

In his latest statement on the prospects for the rebel movement, Sison said the threat to President Aquino from the US government and her political rivals "are far more immediate than from the revolutionary movement."

"But while the revolutionary movement cannot yet directly overthrow her regime in the next few years, (it) can cause her regime to fall in the same way that it caused the Marcos regime to fall," he said.

Saying the infighting within the ruling class favors the advance of the rebel movement, Sison said communist rebels have reached a level of strength and experience "beyond the capability of its adversaries to destroy."

Sison was identified by the military as the chairman of the outlawed Communist Party of the Philippines when he was captured in 1976.

Sison was among several suspected communist leaders freed by Mrs. Aquino immediately after she assumed power in 1986.

"The revolutionary movement has outlasted and prevailed against the Marcos regime. It is easier for it to outlast and prevail against the much weaker US-Aquino regime," he said.

Sison said the NPA operates in more than 60 guerrilla fronts consisting of base areas and zones in 65 out of the 73 provinces, or more than 800 out of the 1,540 towns.

He said the NPA has more than 30,000 full-time and part-time guerrillas with 16,000 firearms, 10,000 of which are automatic rifles.

Describing the balance of forces between the NPA and the AFP as "no longer unfavorable as in the '70s," Sison said that the strategic defensive stage of the revolution "is already maturing and is in the advanced phase."

He said the stage would likely advance and pass on to the strategic stalemate in two to three years.

He said an increase in the automatic rifle strength from 10,000 to 25,000 would allow the rebels to expand the number of influenced towns to 1,000.

The strategic offensive, described as "the final drive toward total victory," is possible within the next decade, Sison said.

Eleven persons were killed in separate clashes between government troops and communist rebels in the last three days in Nueva Ecija, Negros Occidental, Cebu and Agusan del Sur.

Military reports said three New People's Army guerrillas were killed and one soldier slightly injured in a brief encounter Wednesday after a raid on a rebel safehouse in Badian town, Cebu province by Constabulary troops, policemen and Army intelligence agents.

The rebels reportedly fought back by firing rifle grenades at the government troops who surrounded their hideout in Sitio Sambulawan, Barangay Tigbao, Badian.

The rebels escaped but left several firearms and subversive documents.

In another incident in Cebu, four suspected rebels were picked up by military in Upper Savao, Sibunga town after a five-minute firefight.

Those arrested were Cristita Lumahig, Marcelo de Lina, Carlos Alcomentras and Vidal Enate. The Constabulary said they seized several subversive documents and guns from the suspects.

In Nueva Ecija, an unidentified communist rebel was killed when PC troops on security patrol encountered a small rebel band led by a certain Ka Jim and Ka Rod in Sito Villa, Barangay Burol in San Natividad Friday afternoon.

In Negros Occidental, two rebels were killed by PC troopers who engaged a group of NPAs in a two-hour gun battle. Reports said the troops pounced upon the rebels who were gathering supplies in Sitio Catanauan, Barangay Concepcion, Talisay.

Government troops suffered a setback at the hands of an NPA band which attacked an Army detachment in Alubihud, Buenavista town in Agusan del Sur. Killed in the rebel attack were Sgt. Wilfredo Sevilla, two civilians identified as Boy Plomos and Bobong Lison and another unidentified woman.

Meanwhile, authorities discovered the bodies of three civilians who were picked up last Monday by about 30 armed men and taken at gunpoint from their house in Negros Occidental.

Reports said the bodies of Juanito Zabalo, 33; Julian Borbon, 40; and Samuel Atienza, 29, were found at the crossing in Agustina and La Casteliana towns.

08309

Balweg Orders CPLA To Disarm 'NPA Sympathizers'

42000289b Baguio City THE GOLD ORE in English
13 Feb 88 pp 1, 3

[Article by Miguel Guimbatan, Jr.]

[Text] A concentration of forces of the New People's Army coming from the Cagayan, Kalinga, Abra, Ifugao, and Mt Province commands, numbering about 500, has surrounded the Butbut tribal area covering the Barrios of Butbut proper, Maswa, Tulgao, Dananao and Buscalan, all in Tangalayan, Kalinga-Apaya.

The NPA's simultaneously raided Buscalan and Butbut proper last February 8, isolating all the people from their houses. The rebels reportedly fired indiscriminately in all directions while others took time ransacking the houses, taking any item of interest including beads, money and food.

Four civilians were wounded by stray bullet while six others were taken captives. The wounded are: Luis Agpad, a certain Pan-oy and two children, captured as hostages were persons named Tunning, Bumangil, and four CPLA wives.

The next day, the NPA entered Tulgao looting homes of food and clothing. four civilians were allegedly used as shields by the rebels in going to Butbut proper to get supplies. However, three escaped and reported the situation to the Cordillera People's Liberation Army (CPLA) headquarters at Bugnay, also in Tanglayan.

The CPLA Bravo company led by Ka-Sulong immediately responded, clearing Buscalan and Butbut proper. He threatened to also take as hostage NPA relatives should the NPA's continue involving civilians.

Latest reports received Saturday morning aid that the four women hostages at Buscalan were released after the people surrendered 2 Armalites, 2 Carbines and one Springfield.

Meanwhile, police and Military outposts left Tinglayan area for Tabuk, the capital town.

CPLA chief of staff Conrado Balweg directed his forces to disarm civilians sympathetic to the CPP/NPA without hurting them. He also ordered the CPLA's not to use old methods that they were using while still with the NPA.

In another event, CNA-Abra reported that NPA from their Ilocos Sur command led by Ka-Dunor raided a Constabulary detachment last February 8 at Nagsangla, Bucay, but no casualties were reported, except for a Garand rifle taken by the rebels. The CPLA Abra command the day chased the NPA's to the mountains.

Last Thursday, 36 CPLA on Patrol encountered at Dalit, Pilar, Ilocos Sur, 50 NPA's at 9:00 pm. The rebels earlier raided the barrio searching every house for guns and soldiers.

The CPLA led by Ka-Rabas ran after them killing a rebel, once Ka-Ronald from Suyo, Ilocos Sur, and capturing one wounded, Jarie Cabal, from Marugnay, Villaviciosa. Taken from the captive was an Armalite rifle. He was later turned-over to the PC/INP Abra provincial command.* CNA/02.13/01

/9274

Ex-Rebel Corpuz on AFP Rapport, Unity, NPA Vulnerability

42000289g Cebu City SUN STAR DAILY in English
28 Feb 88 pp 3, 25

[Text] The military now has a much bigger chance than before to defeat the New People's Army (NPA), according to former top rebel commander Lt Col Victor Corpuz who has been recommissioned to the army.

"We can lick the insurgency, especially now that there is a rapport between the Armed Forces and the Defense Department," Corpuz said in an interview with the Philippines News Agency (PNA).

"Today, we (in the military) are more united, and we have gained the support of the people," Corpuz said.

When reminded that the NPA urban hit squads have gone into the cities from the countryside, Corpuz said there is not much to worry about that since it is easy to infiltrate urban centers.

"A liquidation squad can wreck havoc in the city, but they cannot defeat the government military," he said.

The military estimates that the NPA has a regular force of about 25,000, of whom 16,000 to 18,000 have firearms, compared to the AFP's 165,000 fighting force plus 100,000 policemen and para-military units.

Corpuz admitted that finding members of the NPA Sparrow units hiding in Metro Manila or other urban areas is like locating a needle in a haystack.

He said that while it was true that NPA Sparrows could kill a policeman directing traffic on a busy street, it was not enough to topple a government.

He said he is confident that with the citizenry helping the military, there is no doubt that the communist insurgency, now on its 19th year, will be crushed in due time.

Corpuz was constabulary 2nd lieutenant when he defected to the NPA during a daring raid on the armory of the Philippine Military Academy (PMA) in Baguio city in 1970.

He became a wanted man from then on. Sometime in the mid-1970s, Corpuz surrendered to military authorities.

He was tried by a general court martial, together with former Communist Party leader Jose Ma. Sison and erstwhile NPA chieftain Bernabe Buscayno, alias Commander Dante.

Corpuz was released from military detention after the February 1986 revolution and was later recommissioned to the Philippine Army with the rank of lieutenant colonel.

He hit the headlines recently when he revealed to authorities that it was he who exposed the existence of the 1986 aborted God Save the queen coup plot.

/9274

Baguio Publisher Foresees Military Rule Followed by CPP Government

42000289c Baguio City THE GOLD ORE in English
20 Feb 88 pp 1, 2

[Excerpts] "This country is on the verge of civil war, what else do you call it when Filipino kills brother Filipino?"

[Returnee from abroad] educator Benjamin Salvosa, founder and president of the Baguio Colleges Foundation and publisher of GOLD ORE, sees a bleak future for the Philippines despite serious efforts by the government to bring Filipino society back to normalcy. He warned that if the insurgency continues to grow at its present rate, the civilian sector will lose confidence on the ability of a civilian government. This would put the military in good position to wrest power from the civilian sector and mount a successful takeover. However, this military rule itself will be short-lived once the military is found just as incapable of solving the root causes of social unrest. Eventually, it would be the Communists who can offer the most attractive alternative and they will topple military rule, supplanting it with another revolutionary government, he said.

On the political front nationwide, Salvosa said there is a big possibility that there would be no election in 1992. He zeroed-in on Defense Secretary Fidel V. Ramos as the likely next Philippine president because of his pro-U.S. bases view. This could be the reason, he added, why all the other presidential timber like Senate President Jovito Salonga and House Speaker Ramon V. Mitra are intent on criticizing Ramos in his counter-insurgency philosophy.

"I predicted long before the EDSA revolution that in this country, there would be a military takeover, followed by a Communist takeover," Salvosa said, explaining that even today more and more citizens are becoming increasingly disillusioned with the lack of concrete reforms from the new Aquino administration. "More

and more people are finding out that the Marcos Dictatorship and the Cory government are just the same. If that is true, then would the election of Jun Labo as Mayor of Baguio mean a return to the so-called 'New Society?'" Salvosa drew reference to the Marcos-style moves of the new mayor, mounting clean-up drive after clean-up drive and launching countless investigations on graft and corruption. He recalled that every other administration, in his long experience as a political observer and analyst, begins this way.

"I am telling you, there is no such thing as a good government. All governments are bad," Salvosa lamented, "you go to City Hall and you pay your business taxes, you are treated as though it is even a privilege being given to you that you are already helping the government. [You are the one who owes him one.]" By the same token, government has failed to become more responsive to the situation of the private sector on which it depends heavily for development initiatives. For example, he said, private education is doomed to collapse because of restrictive regulations on the onehand and a stream of new high-wage policy regulations on the other. The government must make up its mind whether to allow schools to raise fees and raise salaries, or keep fees low but maintain present salaries. The way it is happening, Salvosa explained, the government wants to "eat its cake and keep it too."

However, he said he has met Baguio's unusual faith-healer mayor and found him "very interesting." He expressed disgust, however, that out of a single meeting when he was seen in public with Labo, rumor flew thick and fast that he had been "bought" by Labo. "It seems that the impression everytime you come close is Labo is, [that he has already him]." He theorized that this could arise from the fact that Labo is often caught mouthing unabashedly how much money he gives to people, even mentioning names.

/9274

Cebu Columnist Explains Rebel Priests, Link to Continuing Inequality
42000289e Cebu City SUN STAR DAILY in English
23 Feb 88 pp 5, 19

[Article by Godofredo M. Roperos: "Red Infiltration and the Church"]

[Text] It is rather late in the day for Congress to undertake an inquiry into the so-called infiltration of some Church organization by Communists. The fact that some priests have been identified as being top leaders of the country's communist party, and at least two have been captured in a raid of insurgent safehouses in Metro Manila, is proof enough to such reality. Indeed, Congress need not call on church prelates to testify before it on the matter.

What it must do is look into the reasons why such infiltration has happened, and why some members of the church itself have turned against their religious vows, if you will call their action such, and joined what we like to call as a godless ideology. The most simplistic reason often put forward, and perhaps the most graspable by everyone, is the economic one, the obvious inequality in the enjoyment of the earth's natural bounty, God's gift to His people.

One need only look at the increasing poverty of a great number of Filipinos, the mushrooming of urban poor communities in our cities, and the growing number of rural inhabitants living in subsistence economy, a more sophisticated way of saying hand-to-mouth existence, to understand more clearly what we mean. While the few rich also are growing poorer at the same time.

Certainly, this heart-rending condition of our country has not been decreed by God at all. But the fact that it exists, and it is causing not only discontent among our people, but also untold suffering, is to the more sensitive and compassionate men of the cloth, a tacit example of rank injustice and exploitation being done by the few affluent upon the deprived many. In a democratic society, this is easily explained, given equal opportunities for advancement, as the strong and capable enjoying the advantage through no fault of their own, and the weak being the way they are, getting what is their due.

But it is precisely this unequal condition that is driving some people of the church to try to reinforce the strength of the weaker side in the conflict by the joining its rank, regardless of faith or ideological suasion. [sentence as published] We suspect that those of the Church who have joined the rank of the insurgents or who have allowed the infiltration of some religious institutions, are merely recognizing the similarity of goals and objectives between the insurgents and their own organization, disregarding ideological differences, vis-a-vis the plight of the poor and the deprived in our society.

Consequently, if our contention is correct, then Congress must have to attack the causes of poverty in our country rather than go on a witchhunt for the reasons behind the infiltration of the Church and the desertion of some priests to the other side of the ideological fence. Instead of wasting time holding hearings the while playing to the "grandstand" for promotion of personal political interests which most of them are doing, our congressmen should look into ways to effect an immediate turn around of our economy.

Right now, farmers in our rural areas are hard put trying to increase production, coaxing our denuded hillsides and over-used farms to produce what its depleted fertility could no longer do. Lacking the financial resources and unable to find adequate assistance from their government, the poor uninfluential rural inhabitants are left with nothing to do but fall victims to the enticements of

subversive ideologues who illustrate clearly to them the futility of their efforts in the face of "an unresponsive and elitist-controlled government."

Truth is, we cannot seem to find any other way out of our present predicament except the unqualified improvement of the economic condition of the country. We have already told our people in the last elections, the last phase of the normalization process envisioned by the incumbent administration has finally been attained. Now, we must all buckle down to work on our economic problems. And the best ones in position to demonstrate this determination to our masses are our congressmen and the top leaders of President Aquino's administration.

It is unfortunate, however, that what we are presently seeing going on in Congress is a continuing power play and positioning for an election which is still four years away. How can we win then the trust and confidence of the masses who are also continuing to suffer their own economic deprivation? How can we convince the constantly hungry, the clothless and shelterless among us, the thousands of unemployed who are hard put in finding enough for a meal a day, that is government they have is doing its level best to give them food, shelter and clothing? And if you are a man of the Church, sworn to administer the faith even to the poorest of the poor, how can you not help empathizing and suffering with them?

Indeed, these are questions that beg for answers. And sadly enough, we cannot answer them ourselves. Who will, pray tell?

/9274

Rebel Priest Navarro Escapes Military Trap *Manila MANILA BULLETIN in English* 25 Feb 88 pp 1,2

[Text] Prosperidad, Agusan del Sur—Renegade priest Fr. Francisco Navarro slipped out of a big dragnet laid by government forces in the mountainous areas of Buringon and Andap complex, Marihatad, Surigao del Sur, a Philippine Army commander said yesterday.

Col. Cristobal Gurrea, chief of the Army's First Infantry Brigade, said that Fr. Navarro, who tops the "order of battle" (list of fugitives) in Mindanao, leads the Kadamahan Front operating in Agusan del Sur and Surigao del Sur.

"This is the second time that Fr. Navarro escaped," Gurrea said.

He said that even if the operations ended yesterday, soldiers belonging to the 58th Infantry Battalion led by Lt. Col. Dionisio Turina were left behind to track down Fr. Navarro.

The offensive was launched last week by Gurrea on orders of Brig. Gen. Mariano Adalem, Northern Mindanao Army commander, involving four battalions—the 23rd Infantry Battalion led by Lt. Col. Napoleon Deocariz; the 8th Infantry Battalion, Lt. Col. Narciso Abaya; the 28th Infantry Battalion, Lt. Col. Edilberto Adan, and the 58th Infantry Battalion, Turina.

The offensive was launched after the killing of four soldiers and wounding of 24 other government troopers during a gun battle in the same area.

Government troops led by Turina also killed six rebels in the same clash and seized several firearms, ammunition, and subversive materials.

Military intelligence reports showed that before the gun battle took place in Buringon and Andap complex, Fr. Navarro was spotted leaving a convent in Butuan City.

Last year, a big manhunt was launched by government troops for Fr. Navarro in the same area where he was reportedly wounded during bombardment by air and ground forces of the 58th and 8th Infantry Battalions supported by the Philippine Air Force 205th Helicopter Wing and 15th Strike Wing, the Army commander added. (Mike Crismundo)

Surrender

An alleged staff officer of the New People's Army (NPA) Regional Command based in the Visayas surrendered to the PC Capital Regional Command (Capcom) last month.

The NPA member did not give his full name for security reasons, the military said. He identified himself only as "Ka Manny."

He said that he is the commander of the Red Fighter Group (RFG), the hit squad counterpart in the Visayas of the Alex Boncayao Brigade 'ABB' in Metro Manila.

"Ka Manny" surrendered to Capt. Josefino Teofisto of the Capcom Regional Intelligence Operation Unit (RIOU) to seek medical treatment for his lung disease.

He told Capcom authorities that he has been suffering from the disease since 1979. The Capcom took him to a military hospital and subjected him to tactical interrogation.

"Ka Manny" said that 10 percent of the members of the RFG are suffering from various diseases such as tuberculosis, ulcer, and malaria and continuous bleeding due to bullet wounds. (Robert Requintina)

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Columnist Poses Theory That Arrested CPP Leaders Were Betrayed
HK021032 Manila MANILA BULLETIN in English
2 Apr 88 pp 6, 13

[Column by Jesus Bigornia: "Captured Red: The Big Fish or the Outcasts?"]

[Text] Military propagandists are ecstatic. It is not every day that their sleuths capture top drawer leaders of the out-lawed Communist Party of the Philippines [CPP]. Since the capture of then party chairman Rodolfo Salas, a.k.a. "Kumander [Commander]" Bilog, outside the Philippine General Hospital on Sept. 29, 1986, a veritable fortune in manhours and intelligence funds has been spent tracking down the leaders of the communist-inspired rebellion now inflaming the countryside. In two separate dragnets, police and Constabulary raiders apprehended last week Rafael Baylosis, party secretary-general; Rumulo Kintanar, chief of the New People's Army; Napoleon Manuel, Kintanar's chief of staff; and Benjamin de Vera, Mindanao Commission chairman.

Amid the widespread elation over what is acclaimed as a significant government victory in the war with Communist-led guerrillas, knowledgeable quarters would, however, douse cold water. They hold that the police-Constabulary dragnets may have landed fugitives from a party purge. These sources recall how military intelligence had come upon evidence of an ongoing power struggle within the party. It is furthermore suggested that Baylosis and company who had advocated the Maoist doctrine of surrounding the cities until they fall, have been elbowed out of the party hierarchy by young "hawks" demanding direct assaults on urban areas to advance the revolutionary cause.

Among the more plausible explanations for the mass arrests are:

1. The military authorities were "tipped off" by a "deep penetration agent," a so-called "mole."

2. They were betrayed by younger and more aggressive comrades, and

3. Civilians, working hand-in-glove with the civil relations service of the Armed Forces, headed by brig. Gen. Honesto Isleta, reported the presence and comings and goings of the long-wanted leaders of the rebellion to the authorities.

None in authority, military as well as civil, doubt the probability that those now in custody have been replaced in the party's hierarchy. When Salas was captured in late 1986, he was immediately replaced as chairman of the party by Benito Tiamzon who is said to have eluded capture by only a few hours. But even the military concedes that the arrest of Baylosis, as ideologue, and Kintanar as military planner, is a grievous loss to the rebel cause. Just the same, with the "hardliners" at the helm of the rebellion now, military and police quarters are bracing for an intensification in urban guerrilla warfare.

Denigrating theories notwithstanding, the capture of the leaders of the Communist rebellion is a distinct achievement in military-civil cooperation. It also indicates a substantial improvement in the gathering of clues by the intelligence community. Those who took part, not only in the final roundup but also in the preparation of plans for the final raids, deserve not only commendation by the public but also recognition by and reward from higher authorities. For, despite the tedium of surveillance and the cost in terms of man-hours following leads, peace-keeping agents succeeded in hauling in key figures of the Communist movement here.

Royalist Academic Sukhumphan Views Political Scene

42000280a Bangkok BANGKOK POST in English
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[Article by Kanjana Spindler: "Saying What Others Dare Not Say..."]

[Text] The two professors sat at the table in front of the Lacquer Pavillion munching the delightful Thai kanom (dessert) at a dinner reception at Suan Pakkad Palace the other night. They appeared to be in total agreement. Their topic of conversation had centred temporarily on their host for the evening, Assoc Prof M.R. Sukhumbhand Paribatra, and they promptly concluded that he was, amongst many other things, an eccentric.

If the word "eccentric" implies something that "deviates from some established pattern or from conventional or accepted usage or conduct," as Mr Webster defined it in his Collegiate Dictionary, then Prof Dr Somsak Xuto and Dr Charnvit Kasetsiri's description of the host could well be construed as a compliment.

M.R. Sukhumbhand, the 35-year-old director of Chulalongkorn University's Institute of Security & International Studies (ISIS) and adviser to the House of Representatives Standing Committee for Foreign Affairs, is a topic of conversation and a target of criticism at more places than elegant dinner parties. Most recently and most notably, Acting Supreme Commander Gen Chaovalit Yongchaiyudh, speaking on television recently referred directly to M.R. Sukhumbhand in rather critical terms.

In an interview a day before the reception, also at Suan Pakkad Palace, which is now entrusted to his care, the associate professor refuted the acting supreme commander's remarks.

"I didn't say that the military is 'weak,'" he explained, letting off faint steam. "The points I tried to make in my talk (on the Thai-Lao conflict) were that this incident (at Rom Kla) reflects some problems with our defence system. One is the problem of logistics. Then, lack of intelligence. Another problem is lack of ammunitions and lack of experts both at the top and at the platoon level. Also, we allow politics to intervene too much in military operations. I never said that the military is weak."

Given the fact that he often comments on sensitive topics which, by and large, are directly pertinent to his several areas of expertise, namely the military, international relations, philosophy, politics and economics. M.R. Sukhumbhand admitted that these particular comments of his evoked the most surprising reaction.

It is this intellectual versatility which is most admired by those who know him and which seems to distort his image in the eyes of those who don't. His oft-misinterpreted public image is multi-faceted. It ranges from that of a political activist and a radical to a communist and something along the lines of a millionaire playboy.

His nature is usually to politely deny, a la English gentleman, anything he believes is untrue. Unfounded rumours, it seems do not bother this bachelor who's a divorcee of nearly two years. What really matters, to him, however, are his convictions regarding his work as an analyst in polities, the armed forces and international relations. For they, like his teachings and his prodigious writings, must be absolutely lucid. They must allow people to think for themselves instead of "gobbling and regurgitating," or forcing the knowledge and information down people's throats.

He looks at himself as being a "conservative" (with a small "c") and one who "advocates moderation." More than 40 publications and numerous articles, both in English and Thai, which he either wrote on his own or co-authored with other leading political scientists, both locally and internationally, are, he believes, sufficient proof of where he stands politically and socially.

Asked on what principles he would base Thailand's foreign policy if he were the minister of foreign affairs, and how they would differ from the Foreign Ministry's current stance, the young professor replied without the slightest hesitation, "I'd like to see a different posture. An appropriate policy, not too much different from now, but one which is more flexible toward adversaries and more firm toward friends.

"We must be prepared to build bridges with adversaries, talk with adversaries and exchange views with adversaries.

Negotiation

"Diplomacy is about bridge building, about negotiation day after day, month after month, year after year. At the moment our diplomacy isn't like that. We ought to be more firm toward friends. Make our friends realise that we have our own integrity. Friendship isn't about following friends' footsteps but being able to tell our friends what's right or wrong and if they're our friends they can take it.

"Also, I'd try to keep Thailand going in one direction. There has been a process of self-realisation on the part of Thailand. Since 1975 we realised our true worth more. This realisation will play a greater role in the international arena. It's a good departure.

"We have a lot to contribute to the world community. Our Foreign Ministry is very old compared to some other countries, and we should play on this."

"We're a Buddhist society. It's not going to be a radical departure but a matter of emphasis. Economic development in the conduct of the Foreign Affairs Ministry—diversity in jobs, market sharing and partnership—is vital and only through the ministry can we do this."

Words and thoughts came pouring out. That's typical of M.R. Sukhumphan once he starts to expound on any topic which he has expertise in, or feels strongly about. He obviously prefers the off-the-cuff type of speech rather than a prepared one. He's ordinarily seen smiling his genuine smile to indicate his natural politeness and his appreciation of a good sense of humour. He's an excellent cook and a connoisseur of fine wines.

Given this elitist background, doesn't he sometimes feel disconnected from the realities of the country?

Looking thoughtful, he moves into top gear. "In a way yes. I'm not rich but I've never been poor. I don't feel disconnected because I'm sensitive to things. I travel a lot; that's why I talk about rural poverty. Ask anyone of my age and he'll say it's economic development this country needs most. One doesn't have to live in history to understand history.

"The basic problem in this country is not starvation but lack of opportunity, good education, and good jobs to progress in life. This country is relatively rich compared to other countries. The quality of life must be improved. One must appreciate art and culture much more than he does now. Also life, but that comes later. Opportunity is the key word because we're not a static society and we must allow this dynamism to grow."

"I believe I don't act like an M.R. in the TV soap drama," he continued. "I'm proud of my heritage but I don't flaunt it. It doesn't detract from my human nature. I'm not a descendent of a god."

Assoc Prof M.R. Sukhumphan was born in Bangkok 35 years ago, the son of HRH Prince Sukhumabhanan and Mom Dusdi. At an early age he was sent to England to attend secondary school. Later he went up to Pembroke College, Oxford University, where he obtained his B.A. and M.A. in philosophy, politics & economics before going on to Georgetown University in Washington, D.C. to major in international relations and government.

His grandfather, Field Marshal Prince Paribatra Sukhumphan of Nagor Svarga, was a military man and the first to modernise the Thai Army and Navy during the reigns of King Rama V and VI. He was the Regent many times during King Rama VII's reign. He later was exiled and lived in Bandung, Indonesia. M.R. Sukhumphan said jokingly that his field of education is what prepares a man to become a prime minister. But that's only the situation in England.

Asked what he would do—what his agenda for action would be—if he were Thailand's prime minister, M.R. Sukhumphan said he would tackle rural problems first, "in a resolute manner." Then he'd develop agro-industry and decentralise the economic and administrative system. "Rural poverty," he said, "cannot be tackled with one set of actions."

"The second priority is professionalism in the Thai military. Make them more professional. Depoliticise the military. In the world today you cannot do without proper defence but it doesn't mean that the military has to play the absolute political role...Before cutting the defence budget you must know what to cut. Otherwise that's ignorance. That is politicking.

"The third priority is to solve the problem of Bangkok which is now too large, too polluted and has a growing population. One way to solve it is to decentralise the administrative system, to consider setting up a new capital—maybe somewhere like Sattahip.

"We have to take a fresh look at the situation and be prepared to take radical action. A lot of countries have done this before. You can build a wider boulevard so you can have a coup d'état without upsetting business. It'll be a nice playground for the military," he added, somewhat tongue-in-cheek.

The trouble with talking to this political scientist is that you can easily become mesmerised. Verbalisation of his ideas is one of his special crafts. A Bangkok Post reporter who covered the recent International Conference on Constitutional Principles and Issues in Manila, where M.R. Sukhumphan was one of the Thai delegates, reported that his speech on "The Role of the Military in a Constitutional Democracy" drew a big response and much laughter amongst the participants. Both his witicism and analysis outshone others, with perhaps only a few exceptions like Philippine Secretary of Foreign Affairs Raul S. Manglapus, who was greatly admired by all.

Understanding

The overriding issue at the moment for M.R. Sukhumphan is to push civilians into knowing more about the military. He pointed this out in his speech at the Manila conference: "Civilians must seek to expand and deepen the military's knowledge and understanding of the underlying principles of democracy in terms of both structure and process..." He re-emphasised it in this interview when asked what roles would he indicate for the Royal Thai Armed Forces if he were the Minister of Defence.

"One should have smaller armed forces or highly mobile, highly-trained and well-equipped forces. This is the direction in which Gen Chaovarat is trying to reform the Army, but he hasn't succeeded. There is too much vested interest everywhere.

"You have to have the best weapons money can buy for a smaller army. I'm never against weapon buying but you must know what it's for, not just as a toy. There must be a plan. Even if the budget goes up I don't mind. We can afford it."

It's a pity that when speaking about certain important subjects, the interview had to be carried out on a more or less hypothetical basis. But on one topic which he holds close to his heart, the Chumbhot-Pantip Foundation, which his aunt, the late Princess Chumbhot of Nagor Svarga, founded and of which he's now the chairman, reality and vision coincide. The foundation owns the Suan Pakkad Palace, which houses amongst other wonderful objets d'art a museum which contains a unique collection of artifacts from the 7th Century, furniture, ceramic wares and curios of various periods which are all set in a garden reputed to be one of the most beautiful in Thailand.

The foundation has benefited from a unique case of philanthropy unheard of in this country in that three-quarters of the total assets of the princess' estate have been donated to it for charitable purposes which include education, art & culture and leadership programmes. M.R. Sukhumbhand is now actively developing a set of activities for the foundation.

"My aunt's line of thought was perhaps like mine in that we believe in giving people the opportunity. She believed as I do that in this age no one has the complete right to own this much property. She was certainly not a radical or a communist. Just a conservative," he said. His own personal goals are "nothing and everything because I'm quite happy with what I'm doing now."

And what role does he see himself playing in Thailand's future?

"I'm a real academic. Whatever I am now, people know I'm not a political activist, but every society must have someone who is ready to speak out what others dare not say. If in the future there's no one prepared to say something, I feel I have to. Not because I want to be big and famous, but because I was born privileged and I have to pay back that privilege."

"If people like me don't do this, society is finished. It's the end of society. Privilege without obligation is decadence."

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